NO RECOVERY WITHOUT MONETARY REFORM

Social Justice

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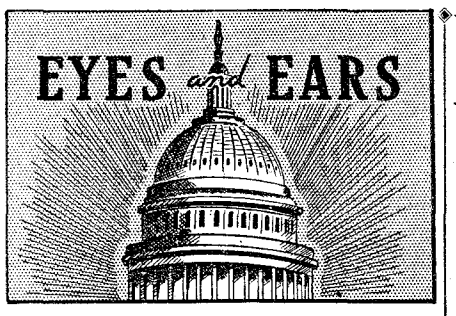

By Mark Meechan

INCREASED sniping at the alleged political manipulation of WPA funds is being heard along the political firing line.

The Republicans, and that great defender of the privileged, the American Liberty League, and others are laying down a barrage of accusation that the New Deal is trying to get re-elected by adroitly selfish use of funds that were intended to feed the hungry and stimulate recovery.

"Boondoggling" is being charged.

Senator Joseph T. Robinson, that not always brilliant defender of the New Deal, tried an ingenious device to throw the enemy into confusion.

He attempted to get the New Deal out from under the charges of wasteful spending. He stated that boondoggle "really means a useful work. The word had its origin in the name of that sturdy American woodsman, Daniel Boone, who certainly knew as much about practical, useful things as the advertising writers now employed by the Republican National Committee and the miscalled American Liberty League." [Sometimes, as in this typical Robinsonism, you seem to get a suggestion that the majority leader of the Senate has a very low estimate of the intelligence of the American people.]

Most disquieting to New Deal leadership are incoming reports that sincere, non-political people, out in the counties and townships of the nation, are seeing and questioning activities which, on the surface, look inefficient and "tainted" with politics.

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What is being quite generally overlooked is the fact that boondoggling—if that isn't the right word, you name it—is the hazard that always has attended the expenditure of public funds.

Those wise in the ways of politics will tell you that the administration in power has always counted upon its job-holders to vote for the party in power and to get as many relatives, friends, etc. as possible to vote the same way.

Politicians always have realized that an unfailing human trait is self-protection. They always have counted upon the political job-holder to do everything he could to perpetuate his job.

The only difference between the present situation and all past experience is that there are vastly more political jobs today, directly or indirectly controllable by Mr. Farley, than ever before fell to the lot of a patronage-parcelling postmaster general.

There are so many federally-controlled political jobs that really intelligent and patriotic citizens sincerely fear that they may become a balance of voting power which will determine the trend of election.

And that is what the word "bureaucracy" means, regardless of the definition of boondoggling.

Rising far above the bickerings of partisan politicians and their growing clamor in Washington, the great question before the American people is: Do you, or do you not, want a bureaucratic form of government?

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It would be well, on the other hand, as the political sham battle goes on, for the American people to realize that the Re-

(Turn to page 3)

Automobile Wages Fall Off as Dividend Profits Mount

EDITORIAL

PROFIT FROM THE FLOOD

KING EDWARD VIII, having viewed the new "Queen Mary," the largest ship in the world, immediately went into the slums of Glasgow to inspect the poverty which is becoming so widespread among his subjects.

His Majesty expressed the thought that, unless science and civilization could combine to abolish slums, they were stultifying themselves by creating such masterpieces as the "Queen Mary."

The young king proved that his heart is beating in tempo with modern events. Most likely his peri-wigged advisors are stunned by the regal frankness which has challenged want in the midst of plenty.

The story of want in America is becoming more apparent every hour, as the unharnessed headwaters of the Mississippi, the Ohio and hundreds of rivulets, repeat destruction which, for more than half a century, has resulted from government carelessness.

Shall America meekly submit to a banker-minded administration which, likely, will petition Congress for a billion bankers' dollars at approximately 3 percent either for flood relief or for flood prevention? Is it ethical for those who have no money, but who do have power to coin and regulate it, to commercialize upon the misery of a prostrate nation? While charity is always to be commended, it is a ludicrous situation to have the American Red Cross Society tin-cupping its way over radio stations for relief purposes when the United States Congress could supply ample funds for the present emergency and to prevent all future floods.

If it is not unsound for bankers to create money at 2⅞ percent interest, could it be unsound for the government to create it at no interest?

When speaking in private to Senator E. D. Smith of South Carolina together with Senator Thomas of Oklahoma and several of their colleagues, President Roosevelt admitted that he could see nothing unsound in the government's creating its own bonds, interest free. In his public practices he has been consistent in playing the bankers' game. Thus, if funds for flood prevention will be allocated by this present Congress, it is to be expected that, as usual, the bankers will profit upon our national misery.

One billion dollars of bankers' money for flood prevention, created by a mere stroke of the fountain pen, will mean that, thirty years hence, your children must restore to the bankers two billion dollars of hard earned money. In plainer language, this means two billion hours of hard labor. This would require one thousand men to work two thousand years—working at $1 per hour wage and 40 hours per week—to repay the money which will be created by the bankers in ten seconds with a flourish of their fountain pens.

"ACT OF GOD"

Fourteen states, from the New England seaboard down through the Mississippi watershed, are counting the toll of the nation's most disastrous flood in 30 years.

Three hundred deaths, 400,000 homeless and $300-millions damage are only early estimates, that cannot hope to give more than a superficially graphic picture of another spring of destruction.

Conservative observers state that if the loss to wage earners and to retailers is considered, together with the eventual cost of relief and rehabilitation, the actual money involved may exceed a billion dollars.

Plague Stalks in Wake

Heavy snow fall in western Pennsylvania impeded flood relief efforts in that stricken area while epidemic diseases were feared at many points due to the lack of drinking water and adequate sanitation.

Pennsylvania was hardest hit in the early floods, with Pittsburgh, the industrial steel center, prostrated.

Waters of the Monongahela and the Allegheny rivers, which converge at Pittsburgh to form the Ohio river, were receding as the crest passed down the valley.

An unprecedented winter, with a month of sub-zero freezing and many feet of snow blanketing the entire continent, with the prospect of spring rains adding their deluge to the melting tide, required no Noah to predict a time of forthcoming flood. Flood control projects have been before the nation for 20 years; a huge engineering enterprise along the lower Mississippi has been under way for the last two administrations. Much of the soil conservation program and erosion control, written into the farm legislation which succeeds the AAA, is hoped to be contributary.

(Turn to page 3)

$24.37 Is Pay In Michigan

Weekly Average Is $3 Under January and $3.50 Below 1935

DIVIDEND disbursements for March of $177,788,000—as compared with $162,950,000 for March, 1935—are reported for big business by the Journal of Commerce. The largest single increase is reported to have been that of General Motors; with Du Pont and Chrysler Corporation also among the leaders.

A gain for the month of $49,900,000 is the prosperity picture for big business as reflected by Dun & Bradstreet and the financial pages of the daily press.

Nearly $50-million dollars increase for one month in profits for the stockholders, while 277,816 employees in 102 automobile plants of Michigan received $3 a week less in wages than they did a month ago, and $3.58 below last year!

$24.37 a Week!

The average wage for workers in the automobile industry of Michigan in February was $24.37.

Is this prosperity? Is this a living—not to say annual—wage for labor?

Ask the housewife who must budget the family living on that wage of $24.37 a week: clothe the kiddies, pay the doctor, set the table, meet rent and taxes. And mind you, those taxes are going up inevitably in 1937. The $15-billion poured down the rathole of the depression did not even get the rat. It only raised a stench. Millions spent for recovery have not made enough work; they have not ended relief; they have not restored buying power. So much of the money spent went for administration and mysterious other purposes; so little of it trickled down to the men on the public works payroll. But it has been spent and the bill will have to be met—by taxes. And these taxes will bear no less heavily on the renter than the owner of real estate. For the renter pays the taxes on his landlord's premises, whether he realizes it or not.

Is This Prosperity?

Only three trades in Michigan reported a higher average wage than automobile manufacture. A mere 1,259 employees in 14 newspaper printing plants were paid $32.47 a week; 1,650 men in 18 beverage plants received $32.34; while the iron and steel industry, which employs 56,486 men in 218 plants, paid $30.98. But automobile manufacturer, the state's "key" industry,

(Turn to page 3)

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Ineffective in Big Crises, League Only Social Club

Failure to Arbitrate in Chaco and Manchuria Sounded Knell for Geneva Concert

By Justin Soval

THE Army War College in Washington has as its football cry: "When in trouble, when in doubt, run in circles, scream and shout." This cry has become the League of Nations' slogan.

When the League was established, it was said by the enthusiasts of those days: "There can no longer be a crisis like the one which has led to the World war. There will no longer be a concert of European powers to deal with such emergencies. All the nations in the world will, henceforth, be gathered together to brand the aggressor and force, if necessary, a peaceful settlement of any question regardless how difficult."

The world is faced again with a crisis more dreadful and more tragic than that of 24 years ago. League members are running in circles, talking, arguing, and threatening without being able to present even the dubious solutions the group of European powers produced in 1914.

Ineffective Arbitrator

Three years after the League came into existence, a shrewd observer at Geneva described it as "an organization which can settle big disputes between small nations and small disputes between the big nations." This definition was, of course, given when the Geneva Club was young and prosperous. Since then, the League failed to settle even big disputes among small nations as was illustrated in the case of the Chaco war between Bolivia and Paraguay. In fact, it failed to settle anything at all.

The principle of having a place of gathering for all the world nations to discuss their problems is by no means wrong. But the application of the principle is wrong beyond repair. Mr. Wilson was an idealist; his contemporaries, Mr. Lloyd George and Mr. Georges Clemenceau were practical politicians. From the first moment when the late President Wilson expounded his ideas of a society of nations, the two crafty politicians saw a chance to turn that organization to their advantage. For Great Britain it meant condoning of all her doings in Asia and Africa. For France it meant the keeping of Germany under the French heel.

An Alliance of Victors

What should have been a society of nations became the League of Nations. This conclave of powers was not much different, although it was less honest and sincere than the Holy Alliance which was formed after the Napoleonic wars to maintain the principles of the divine rights of the sovereigns. It was governed, in theory at least, by Christian principles.

In order not to disrupt the harmony of the victors of the great war, Russia and Germany were branded as outcasts and forbidden to join this exclusive club. The United States, despite the desire of its wartime president, stayed out. Thus three powers representing over 350 million people were not represented at Geneva.

And, as long as Geneva confined its activities to opium, white slave traffic and wireless communications regulations, the club was able to maintain itself.

But even in its heyday, foreign statesmen did not take it seriously. When, during the Bulgarian-Greek conflict of a few years ago, Count Charles de Chambrun, the French Minister at Athens, went to see General Condylis to urge him to reach a peaceful settlement with the Bulgars because otherwise the League would take drastic steps against Greece, the Greek premier replied: "The League of Nations? Why, Your Excellency, I spit on the League," and he accompanied these words with the gesture.

Steam Roller Tactics

The Greek General knew what everybody else knew who attended the League. The major subjects brought before the Council were settled, not by the representatives of the various nations in an open forum—as the "no secret" post-war diplomacy required—but in the drawing rooms of the hotels where the British or the French representatives lived. There, the representatives of the principal powers gathered, not more than three or four at a time, and settled what decision the League would take. Then, after everything was decided, the public session of the Council was called.

The president, frequently a representative of some small nation, opened the discussion and asked for an expression of opinion. The 52 participants remained dead silent. After a painful two or three minutes, the British or the French delegate, in accordance with a previous arrangement, got up and put forward the solution reached in the parlor of the hotel a few hours earlier. Hardly did he finish his little polished speech than two-score of hands were raised and voices were heard: "Mr. President, I want to tell you that my government is in full agreement with the views so ably expressed by the distinguished representative of Great Britain (or France)." And in nine cases out of ten, neither the poor delegates nor their governments had ever heard before what the "solution" of the distinguished British or French representative was.

Manchuria End of League

The death knell of the League was sounded in 1931, when it reluctantly endeavored to tackle the settlement of the Manchurian dispute. Defying all the existing treaties, Japan occupied one of the most prosperous sections of China. Both nations were members of the League and both had solemnly pledged themselves to settle their disputes through the mechanism of the League.

But when, after long hesitations, that ponderous machinery was set into motion, it showed such a lack of energy, such a lack of understanding concerning its role as a peace maker, that, at the first opportunity, the Tokio government resigned its membership. The League had offended Japan's national honor by admitting, after twelve months of discussion, that Japan was wrong in taking 30,000,000 Chinese and a territory about the size of Texas away from the Chinese republic.

Eighteen months later, Germany who, in the meanwhile, had been admitted as a full member of the International Club, banged the door of the League in the face of its surprised members.

Soviet Invited In

Only Great Britain, France and Italy among the great powers of the world, continued to remain. That was not quite enough. In order to fill the vacant seats, the Soviet government was invited to join. Not that the system of government in Russia had changed in any way. The same considerations which prevented that country from entering the precincts of the Geneva Club held good in 1934, as they did in 1920. But the Soviets, menaced by Japan in Asia and by Germany in Europe, were considered by the British and the French governments a useful member, because they would vote exactly as France and Britain wanted them to.

The Soviet government had no colonial interests, consequently it could not embarrass Great Britain. The Russians had not suffered from the Versailles treaty, consequently they had no reason to oppose its continued enforcement. And the Soviets had been recognized by the United States. Their presence in Geneva might give another "talking point' to the American internationalists who were still advocating America's entrance in the League.

And there are still some who, even today, see America's presence at Geneva as the only cure for the ills of the world.

THE WEEK IN THE WORLD

England

London—King Edward VIII, visiting the palatial new ocean liner, Queen Mary, shortly after his tour of the Glasgow slums, remarked to a member of the official party: "How do you reconcile a world that has produced this wonderful ship with the slums we have just visited?" . . . It was a thought-provoking question. Scientific achievement is a hollow mockery when social progress does not keep pace. Many kings would never even have noted the contrast or if they did, would have accepted it as inevitable. Britain is fortunate in having a king who is social-minded. Perhaps some day this courage will assert itself in concrete efforts to alleviate the housing conditions of Britain's slums.

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Ireland

Dublin, Ireland—Eamon De Valera, president of the Irish Free State, reported that his nation was near the goal of reasonable self-sufficiency in his review written for the St. Patrick Day celebration. He stated that the "past year was one of peace and ordered progress in the Irish Free State. Exports increased, our farmers can look forward to better times, new factories are springing up, under the national housing scheme, far more houses have been built in town and country than was contemplated in the estimated possible construction program made in 1932. Bank clearings increased, bankruptcies and judgments for debt diminished, railway receipts are up, and there has been a big increase in the number of automobile registrations." . . . Reception of the address was interrupted by an announcer on a powerful, but unidentified local radio station. The station broadcast static almost continuously to drown out the president's voice.

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Canada

Edmonton, Alberta, Canada—Premier William Aberhart stated, "I will quit first, but will never consent to the province surrendering its autonomy," in a clash with the Dominion officials over finances. It appears that a $3,200,000 bond issue matures April 1. There is not sufficient funds in the provincial treasury to meet the obligation. Aberhart was informed that aid would be given only in the event that the federal council is permitted to pass on all future borrowings. Meanwhile, the premier stated he would endeavor to meet the impending financial crisis in part through legislation providing that holders of $160,000,000 in bonds accept lower interest. . . . Canada ratified the Canadian-American Trade Treaty in the House of Commons by a vote of 175 to 39, following two weeks of bitter debate. The Social Credit and Cooperative Federation Representatives endorsed the treaty in principle, although they disagreed with the Liberal Government that freer trade is the solution of all of Canada's problems.

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Paraguay

Paraguay, South America—The first of the Latin-American countries to set up a Fascist regime is Paraguay with a population of 850,000. The government has declared a totalitarian state, holding that the revolutionary party and the state are inseparable and suspending all political activity for one year. All activities are under the express jurisdiction of the minister of the interior. The decree, officially proclaiming the new state was contained in 7 articles and signed by the provisional President Franco and all the members of his cabinet. A strict censorship has been effected with all newspapers being seized by the government. . . . Paraguay is virtually an agricultural country. Most of its foreign trade moves through the Argentine by the Paraguay and Parana rivers or the railroad connecting Asuncion and Buenos Aires, and in which the Argentine government is a large stockholder. . . . Whether the new Fascist regime will follow the lines of the accepted use of that word is problematical. In the end, it may develop that when the novelty has worn off and the pressures of reality in the economic and political fields assert themselves, the present regime will stand revealed as just another military coup with its attendant outlawing of all political enemies.

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Mexico

Mexico City, Mexico—Nine Chambers of Commerce recently petitioned President Lazaro Cardenas for relief for Mexican business. The petition charged that the government supports the workers in confiscatory demands on employers, "that credit for agriculture, industry and commerce has either disappeared or is highly restricted, and the rights of private property have been invaded; the frequent attacks of labor against capital will end by creating a social and economic situation similar to communism."

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EYES and EARS

Continued from Page 1

publican party cannot gracefully assume the role of denouncer.

Under the long secretaryship-of-the-treasury of the miraculously wealthy Andrew W. Mellon, they used a device for permanently re-electing themselves which worked as smoothly as any well-oiled bureaucracy.

They worked out the scheme of refunding to the wealthy and powerful substantial proportions of their income tax payments. They played to the millionaire's and the multimillionaire's instinct of self-preservation.

Among those benefited were newspaper publishers, the great employers of labor, the officials of banks and others who could effectively mould public sentiment. (They could also, incidentally, beautifully contribute to campaign funds.)

These refunds of taxes, legally collected, were made—and mark this well—when the Treasury Department was carrying a $16-billion balance of the public debt from the years 1920 to 1930.

That $16-billion balance was creating interest throughout those years. The interest was taken largely from the man who either didn't have enough income to be directly taxed or who didn't pay enough income tax to get a refund.

And it went largely to those who got the refunds.

All of which brings up the question: Is there any great difference between building a bureaucracy and refunding income taxes to the wealthy? And the answer is: No.

And the question: Do both systems of political domination build a huge public debt to drain, through interest, the resources of the people who really pay the taxes, the poor and those of moderate income? The answer is: Yes.

Another question: Who benefits by the interest payments on the public debt? The answer: the bankers and the wealthy who invest in tax-exempt bonds.

And a final question: Are both bureaucracy and income-tax-refunding mechanisms for concentrating wealth in the hands of a few? And the final, indisputable answer is: Yes!

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There is one phase of the political attack-and-defense drama, now being staged for the benefit of the voters, which has escaped the attention of all but a few, here in Washingon. Those few are chiefly members of Congress who are well informed in the science of money.

These monetary experts will tell you it is significant that there is no issue being created on the method of raising the so-called emergency funds.

No Republican campaigner is charging that the billions for relief were raised by the old method of selling interest-bearing tax-exempt bonds.

There is no cry from the Liberty League that the bankers of the nation are making a profit on the feeding of the hungry and the maintenance of the unemployed.

The Republican National Committee is not upbraiding President Roosevelt on the theory that he has broken his inauguration day promise to "drive the money changers out of the temple."

There is no Al Smith in the walk-taking wing of the Democratic party to point out—in that manner that pleases and convinces the common people—that Abraham Lincoln won the Civil War on "green backs" which paid no one a dollar of interest and saved the people over $11,000,000,000 in subsequent taxes.

No Al Smith to assure the common man that Abraham Lincoln's printing press money had the full faith and credit of the American people behind it, and for that reason it never cheated any one, rich or poor.

No Al Smith to say, whimsically, "Let's look at the record" and then quote the best record available, the Constitution of the United States, which says that "Congress shall have the power to coin money and regulate the value thereof."

There is no champion who will take up, in the political arena, the cause of the people against the banker and the bond-buyer. There is only a Democratic party which facilitates the concentration of wealth in one way and a Republican party which does the same thing in another way.

Both have a record of appealing to the public in terms best suited to the tempo of the times, but both, as far as results are concerned, are serving the interests of the same master.

And don't get me wrong, my friends. This isn't column writing in the Paul Mallon manner; it's what a number of members of Congress are actually thinking and talking about.

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In this era of sensation-making Congressional investigation, the question is asked more and more frequently why the New Deal leadership does not confound their opponents by investigating their own PWA.

If the defense statements of men like Senator Robinson are sincere and founded on fact, there could be no more certain means of re-electing the New Deal than by getting the facts out in the open.

To prove that there has been no serious political manipulation of the billions spent for relief would not only be winning political strategy. It would be a political service to the nation.

If the people could have, for their guidance at the polls, as complete and authoritative a record on the emergency expenditures of the New Deal as they have on the operations of the munitions makers, they could vote more intelligently than they will, if this controversy is left up in the air.

There is still time to get the evidence taken and send it out to the country through the newspapers—well in advance of election time.

Flood Toll Grim Reminder of Our National Negligence

Continued from Page 1

Control Bills Pending

Had all the jobless of the nation been employed upon flood control projects alone, instead of raking leaves in public parks and other "boondoggling" operations, it is safe to say their combined efforts could not have met the present situation. The tragedy is, of course, that almost nothing was done to anticipate the inevitable; which is now followed by heart-rending appeals to Red Cross aid from the general public.

Four flood control bills are pending now before our present Congress. They are:

Wilson-Copeland Flood Control Bill, authorizing a series of projects in many states, with a total outlay of $370,450,000.

War Department Bill, with its appropriation of $196,677,899, for maintaining all existing flood control projects and work on 143 new projects in many states.

Overton Bill, authorizing expenditure of $272,000,000 to control floods in the Mississippi valley and along its tributaries.

Interior Department Bill, with appropriation of $57,610,000 for work on 16 giant western reclamation and flood control projects.

Senator Copeland of New York, author of the first measure, stated the present flood catastrophe revealed how "pennywise and pound foolish we can be."

Tied Up for Year

"This bill has been tied up in Congress since last year," Senator Copeland said. "If it had been enacted last year, these flood control projects may well have saved scores of lives, tens of thousands of homes and hundreds of millions dollars of property damage."

One of the provisions of the Copeland Bill calls for the construction of 141 reservoirs in New York, Pennsylvania, West Virginia and Kentucky, which would have absorbed most of the flood waters and prevented the extensive property damage and loss of life in the Ohio valley.

The continual mystery in every flood story is the unpreparedness of the sufferers. Conscious of an unprecedented moisture to be carried off in the spring rains, dwellers in low lying areas await their doom, hoping against hope—much as dwellers on the verge of a volcano rebuild and wait in apprehension for generation after generation.

Lower River in Peril

River towns of the lower Mississippi, familiar with the spring moods of their mighty waterway, read with interest, but not immediate personal concern, about what was happening in Pennsylvania. They looked out at their own river and were reassured. How many of them, one wonders, identified what was happening up in the Pennsylvania hills with his own future peril. The country is so big. An eastern flood seemed too far away—too few of the lower river dwellers stopped to realize that the entire crest of the devastating Pittsburgh flood must go to the gulf past their very doors. A flood in Pennsylvania was a story for early March. An entirely different story will be April's floods in the South.

In the same way the ante-deluvians must have hooted the patient, faithful Noah as he set about building the Ark to divine order.

Not All Senators Speak; 21 Silent

Washington, D. C.—A private score kept by reporters for the Congressional Record on senatorial debate—as reported by those Washington Winchells, Drew, Pearson and Robert S. Allen—discloses that only seven of the 96 senators speak regularly and 21 never speak at all.

Here is the box score:

The regulars are: Barkley of Kentucky, Connally of Texas, Copeland of New York, Hastings of Delaware, King of Utah, Norris of Nebraska, Robinson of Arkansas.

The mutes are: Bachman of Tennessee, Benson of Minnesota, Bilbo of Mississippi, Brown of New Hampshire, Bulow of South Dakota, Burke of Nebraska, Mrs. Caraway of Arkansas, Chavez of New Mexico, Coolidge of Massachusetts, Donahey of Ohio, Gibson of Vermont, Keyes of New Hampshire, Longeran of Connecticut, Mrs. Long of Louisiana, Maloney of Connecticut, Moore of New Jersey, Murray of Montana, Radcliffe of Maryland, Townsend of Delaware, Truman of Missouri and Van Nuys of Indiana.

Connecticut is the only state which has a 100 per cent representation in the mute list.

Of the Republican presidential hopefuls, Borah, Vandenberg and McNary are listed as frequent but not regular speakers. Dickinson is listed as occasional.

Wages Lower; Profits Mount

Continued from Page 1

paid $24.37.

How can the buying power of these workers be restored on this wage? Men engaged in the manufacture of automobiles cannot hope to buy the product of their own handiwork, even on the liberal sales terms now being offered. No, they—as well as those in the higher paid trades—must be content to transport their families in one of the second hand cars that are a drug on the salesmen's hands, while warehouses are jammed with new cars that cannot move till buying power is further restored.

This is labor's picture in Michigan: $24.37 a week—$3 less than January; while the automobile industry, shared with the rest of "big business," a $50-million profit gain!

Official State Figures

The statistics quoted above are taken from the report of the State Department of Labor and Industry to Gov. Frank D. Fitzgerald. The report shows the trend of employment and payrolls in manufacturing industries of the state. The totals for all industry show that 416,000 workers in 878 plants received 10.5 per cent less in February than in January. The February payroll of $10,014,115, furthermore, is 4.4 per cent under the same month a year ago.

The American Federation of Labor, hopefully seeking a new deal—not only with the old deck, but with the old dealers—blames the supreme court's killing of the NRA for the immediate slump. The Federation's monthly report asserts that the national standard of living could be "at least 6 per cent higher than 1929" if the available productive capacity of industry could be utilized. The report stresses the necessity of an "attempt to discover how a 13 per cent wage increase can be achieved."

"When production outstrips buying power, sooner or later the increase in production must stop for want of a market," says the Federation report. . . ." It is important for labor to realize that the next depression begins here and now, before we are recovered from the last."

Industry earning bigger profits, industrial corporations expanding production, wages falling off instead of following—to say nothing of keeping pace with—the mounting profits.

Here is the graphic picture of what SOCIAL JUSTICE means by want in the midst of plenty.

"In the Spring a Young Man's Fancy Turns" etc.

A quiet chuckle at the expense of the White House scion who hurried down the bay in a coast guard plane to meet a du Pont heiress returning from abroad, was afforded the nation in the following letter to the Chicago Tribune:

> "My girl expects to arrive in New York some time in the near future. I will appreciate it very much if the secretary of the navy will arrange for a naval plane to carry me down the harbor to meet the boat as I cannot wait until the boat docks.—A TAXPAYER."

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Social Justice

A WEEKLY NEWSPAPER

REV. CHAS. E. COUGHLIN
Editor-in-Chief

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HUMAN RIGHTS ARE DIVINE RIGHTS!

"HOW can you prove from reason," queries a recent convert to *social justice* from individualistic capitalism, "that man has any God-given industrial rights? I should like to see a plain and simple statement of the fundamental *principles* of human rights. Then show clearly how, from those principles, you prove man's divine right to a job, to an annual living wage, to organize, to bargain collectively and to strike. Perhaps, if philosophers, since the dawn of the machine age, had more remorselessly pounded into the heads of statesmen some proof that man's right to a job is divine, social arrangements could have been devised to spare us the present spectacle of so large a portion of the world's population hopelessly eating out their hearts today in the uncounted armies of the unemployed."

Put First Principles First!

Now, if communistic atheism is not to be swallowed whole as the basis of all our political science and economics, there are just two fundamental principles that can never be too often repeated: First, all men are created, and hence the first and most universal fact about man, is his duty to serve God and save his soul; and secondly, the Divine Justice could not impose a duty without providing the adequate wherewithal for its discharge. If God appoints for us an end or supreme purpose in life, He cannot withhold the means that are indispensable to that end. Hence, among rational men, a human right has always meant a divinely bestowed means to the fulfillment of a divinely imposed duty or moral obligation.

The Right to the Earth

One *duty*, then, is absolutely universal to the race; to that duty, therefore, must correspond *some right no less universal*, the divinely bestowed right to use the only material means God has provided for our support—namely, the earth and its resources. But that right to use the earth is so important that man has the consequent duty to use the earth in the one and only way that can make the earth serve as a means to the Creator's end—the support of the human race. And that one and only way is to allow private property and exclusive possession.

The Right to a Job

Private property, however, necessarily excludes some men from a share of the land; but that exclusion does not *destroy* their right to use the earth. That right is only *suspended* by private property, and the holders of private property, and the society in which they live, *consequently incur the new duty to make compensation* to those whom private property deprives of their divine right of access to the earth. The only form such compensation can take today is the *right to a job*.

The Right to an Annual Living Wage

But the right to a job is meaningless without an annual living wage—that is, the just equivalent of what a willing worker, if private property did not exist, could wring by his toil from the soil—or an annual income sufficient to support a man and his family in decent and frugal comfort, to provide for the education of his children, and lay by something against the vicissitudes of old age.

The Right to Organize

But if God bestows indispensable rights, such as a job and a living wage, workers must have the further right to get together peacefully, and organize for collective bargaining, as the only available *means* whereby those fundamental rights can be defended. Never forget: God cannot bestow rights, and then deny to man those necessary means for their protection, without which all rights would prove nugatory and unavailing.

The Right to Strike

When have men the right to strike, to cease working and thereby collectively compel compliance with their just demands? Strikes are lawful when, and only when, all the five following conditions are fulfilled:

1. When there exists an intolerable injustice in wages or working conditions;
2. When all means of peaceful adjustment by negotiation have been exhausted;
3. When no violence or injury to the public or to the employer is projected;
4. When the prospect of success is more probable than not—that is, when more good than harm will probably result to the strikers;
5. When there is a fairly universal agreement among honest workers and their leaders that all the four foregoing conditions are fulfilled in a specific case.

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WORLD WOE AND THE WAY OUT

"QUACK Economics" carries none too staggering a stigma with which to stamp most current talk about problems of the depression. In medicine, quackery concentrates on symptoms and external signs. The deeper causes of a distemper, it leaves unexplored; and it ignores the noxious germs that the blood stream may ferry into every living cell in the human frame. So, charlatanry in social discussion, or even in more massive and well-meaning endeavors like the late NRA, may serve only to perpetuate and spread abroad economic infection. It is useless to center attention exclusively on such surface symptoms as unemployment, hours and conditions of work, married woman in industry, or peace or war in international relations.

Whether by accident or design, such talk fails to *focus on first things first;* it declines to disclose to the world the underlying sources of its desolation. Hence, just keep this one fact to the fore: all economic questions pivot on one or the other of two persons—the factory-owner or the financier. Most of our social problems would pale into unimportance, were the twin terrors of wages and money-control once set forth in their true perspective. Casting an analytic eye, therefore, over the want and woe now bewildering the whole world of work and wages and wealth, SOCIAL JUSTICE confidently submits this conservative diagnosis:

The Condition

Science and the machine have produced untold wealth, and made ours an age of abundance.

Yet in the midst of such plenty, everywhere stalks starvation!

Why? Every decade or so, the quantity of money in the world suddenly shrinks; the masses lack purchasing power, or the means that would move that abundance from the producer to the consumer.

The Cause

The manufacturer, by withholding fair wages, takes too much for himself, and with that surplus, expands his productive capacity, and produces more than the purchasing power of poorly paid consumers can buy and absorb.

The money-changer, through his control of bank-reserves and of the quantity of money built thereon, can arbitrarily destroy half the world's stock of bankers' check-book money, without which employers cannot pay wages, nor employees buy goods. Remember: the banker can create, to lend at interest, a quantity of check-book money ten to fifteen times as great as the quantity of coin, currency, or other capital that he really owns and that he calls his "reserves." These reserves, kept in Federal Reserve Banks, can be increased or decreased through arbitrary manipulation by the international financier, who thus controls the quantity of money in existence, and hence rules the whole business world.

And the international money-changer, by that cataclysmic fraud known as "stabilization," can arbitrarily endow the foreign buyer's gold with more purchasing power in other lands than he allots to it in the United States—thus either keeping the foreign buyer away from the American farmer altogether, or compelling the latter to sell at prices ruinously below his cost of production.

The Cure

Against the manufacturer: protect the purchasing power of the propertyless class by an annual living wage to be fixed by collective bargaining, in joint occupational groups.

Against the money-changer: protect the purchasing power of both the propertyless and propertied classes by restoring to the state the manufacture of money and the control of the quantity thereof. Thus, before the eyes of the whole world, constitutional authority can adjust the existent quantity of money to the quantity of goods available for distribution and consumption, so that the general level of prices shall no longer be liable to those violent fluctuations that cause all the disasters of alternating booms and depressions.

And against the international money-changer, for justice to the farmer, restore to our American state the right of fixing the number of dollars that can be bought with an ounce of foreign gold. No longer, then, could the London buyer of wheat, by getting so much more for his gold in Argentina, practically force the American farmer to give his wheat away!

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Strikes Continue to Hold Spotlight in Labor News

14,000 Return in Rubber Walkout at Akron — Hearst Men Strike at Milwaukee

Strikes continue to headline the labor news of the week in the nation. An agreement ended the Goodyear rubber strike at Akron; news writers for Hearst's Milwaukee News have won a widely sympathetic support for their Newspaper Guild walkout; and an alleged lockout complicated peace terms in the New York building service workers settlement.

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Akron, Ohio—A strike of 14,000 workers of the Goodyear Tire & Rubber Company has been ended by a 7-point agreement, which concedes collective bargaining and takes back all workmen. Previously, a proffer of federal conciliation from Secretary of Labor Frances Perkins had been declined and a five-week deadlock existed.

The Company's Side

P. W. Litchfield, president of the Goodyear Company, replied:

"The plan you outline assumed the ability of the Goodyear Company to re-employ all those now engaged in the strike. This it cannot do for the reason that Goodyear has lost business as a result of the strike.

"Hence when operations are again resumed we will be unable to take back all of our former employees.

"If any preference is to be shown, it should be accorded to that great majority of our employees, who although satisfied with conditions, have been prevented by force from exercising their right to work.

"Your plan also assumed that the representatives of this union will make a sincere effort to settle their alleged grievances within 10 days and by negotiation. These same representatives told us 12 days ago that all such differences could be settled within 24 hours. Believing them to be sincere, we kept our factory closed and thousands out of work while we attempted to settle a dispute concerning which a large mass of our people had no interest. At the end of 10 days (not 24 hours), the union representatives were to seriously present the results of this negotiation to their membership. This was not done.

"The union meeting opened with a raucous song designed to indicate the unwillingness of the committee to make any settlement. . . ."

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The Union Answer

Union spokesmen said they were giving the proposal serious consideration when they received word of President Litchfield's "abrupt rejection."

The songs objected to happened to be "America" and the "Star Spangled Banner." "Next time we'll sing 'Onward Christian Soldiers,'" the union leaders say.

Wilmer C. Tate, president of the Central Labor Union, in a radio address stated:

"Everyone in Akron who can keep his head in these troubled times knows well enough that the cause of the Goodyear strike is to be found in the wage cuts of the last year and the threatened layoffs and lengthening of hours in 1936.

"If anyone doubts this, let him examine the findings of an impartial commission, appointed by the Secretary of Labor, to look into conditions at Goodyear. That report showed that the average Goodyear wage varied from $1,000 to $1,500 a year while the United States Labor Department has set a sum well above $2,000 as the minimum for health and decency on which an American worker can live.

No Agitator Needed

"What was the need for outside agitators in a situation of this sort? It has been well said that the greatest agitator is injustice. No one could have 'agitated' the Goodyear workers had they been satisfied with their hours and working conditions.

"No agitator, no matter how wily, can persuade the satisfied American workman to quit his job for the hardships and insecurity of the picket line. No; the two 'agitators' in this strike were Goodyear hours and wages. They are native products that were not imported from Moscow!"

When the strike began, and for some time thereafter, no labor organizers from outside the city limits of Akron had anything to do with the strike. It was a rank and file movement.

President Tate's talk also answered Ex-Mayor Sparks, who recently organized a "Law and Order League":

"Self-appointed guardians of law and order headed by the speaker (Mr. Sparks) whose radio talks you have heard twice today are attempting to create in this city an atmosphere of distrust and fear which may have the most serious consequences. Ironically enough, they are doing this in the sacred name of 'Law and Order.'

"When workers first began to come together for mutual protection in craft guilds and trade unions, the bosses ran to the courts and had them declare trade unions illegal. But labor fought its own war of independence, established the right of workers to organize—even as the bosses were organized in trade associations—and became a legally recognized part of the American scene.

"And then what happened? The employers, finding that they could no longer harass honest workmen, striking for their rights by the use of the regular forces of law and order, then proceeded to recruit private armies of their own.

"They got men from the dregs of industrial cities, from the ranks of the outlawed, and sent them against unarmed strikers and their wives and children. They called them 'Vigilantes,' 'Law and Order Leagues,' 'Defenders of Liberty,' or what not. But they used them for one purpose alone—to break strikes!

"From the time that Frick hired men from the Pinkerton Detective Agency, back in the 90's, to shoot down his striking steel workers, up until today, the history of industry in this country has been marred by this interjection of private armies, sometimes masquerading as citizens defending law and order, but invariably showing their true colors in the end as paid tools of the bosses."

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'Lockout' After N. Y. Settlement

New York, N. Y.—Immediately following the compromise settlement between realtors and the union in the New York building service strike, James J. Bambrick, president of the union, charged the Realty Advisory Board, spokesmen for the building owners, with violations of the peace settlement.

He estimated the number of strikers locked out at 3,000 and the number of buildings affected by lockouts at 700. Strikers who were denied their jobs picketed in front of the buildings, bearing signs, "Locked Out in Violation of the Mayor's Settlement Agreement."

Wm. D. Rawlins, executive secretary of the Realty Advisory Board, denied this charge and stated that the refusal to reinstate certain strikers was in accordance with their interpretation of the agreement.

It was learned from reliable sources that one paragraph of the agreement was formulated ambiguously in order to make possible the consent of both sides, inasmuch as neither would yield concerning the discharge of the strikebreakers.

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Writers Strike Against Hearst

Milwaukee, Wis.—The American Newspaper Guild, through 29 members on the Hearst Wisconsin News, continues its strike of protest against the alleged injustice of the Hearst policies.

Quoting from the "Guild Reporter":

"Hearst had permitted conditions on the Wisconsin News to reach such a low ebb that reporters on this Metropolitan paper in a city of over 500,000 were receiving as little as $15 a week and copy-readers as little at $18.05. Top salary in the photo department was $28. . . .

"By the end of 1935, salaries on the *Wisconsin News* had sunk below the average of those of any other city in the United States with a population of more than 50,000. For a majority of the staff, bills were piled up against paydays weeks in advance.

"The final indignity was the sudden return to the six-day week—with no increase in pay."

In this strike there has been widespread support for the guild.

Labor Has Three Paths to Travel . . .

Labor has a choice of three paths to follow. Victim of the collapse that has attended the abuses of capitalism, the worker is being more and more incited to the allurements of communism; the program of social justice offers him, not a middle ground compromise, but a third way.

Capitalism, now become decadent, once laid plausible claims before youth. What boy did not thrill at the story of Leopold of Belgium who developed the Congo Free State—until the ruthlessness of his sordid exploitation nauseated even capitalistic Europe. Cecil Rhodes of England developed the diamond mines and the gold fields of South Africa. It was a great story for the youth of the world—until they later learned that it was the Rothschilds and not Cecil Rhodes. Freedom in the use of private property and the rugged individualism of Leopold or Rhodes in Africa were followed by the action of the State to make good on the investment.

The railway empire builders of America spanned the nation and thereby made great appeal to the impressionistic youth of two generations—until youth read further into real history of the land grabs and found the power of rugged individualism reinforced by the Treasury of the United States.

Story of Individualism

Then followed those stirring tales of the industrial giants: the thrilling stories of the great individualist, Rockefeller, in oil; Mellon in coal, oil, railway, aluminum and whisky; Carnegie in steel; Armour, Swift and Cudahy in packing; Harriman and the Vanderbilts in railroads; and the little list of colossal giants whose names if, not in the Book of Life, are carved on some of our most expensive mausoleums.

Rugged individualism had its day but the sordid story of its day usually finds a well-worn path from the industrial plant to the corridors of Congress or to the White House that stands within supposed kicking distance at the other end of Pennsylvania Avenue.

Today the individualist, beset on every side by a changing social and economic order, mumbles the old rules from the grammar of modern capitalism:

1. *"We ought to balance the budget."*

That means, either cut down expenses to present receipts, or increase taxes to present expenses.

2. *"We should get back to the gold standard."*

3. *"We should develop our foreign markets."*

What foreign markets? The old world owes us billions that are utterly worthless. Besides, we have Americanized Europe. Our capital is invested there; our plants and machinery are located there; our old immigrant supply of labor is held there; our plans and blueprints are there. We have given them our engineering genius. How shall we look to foreign trade?

4. *"The government should keep out of business; if the government would quit interfering we would put every idle man back to work."*

How did he get out of work? What made him idle? Did government under the most rugged of the individualists interfere in 1929? How many are idle? Twelve million is the answer. Yet industry alone never employed but fourteen million at the top. Industry can never put the idle at work. Within the philosophy of the individualist is no cure for the present social and economic ills. He has expressed his philosophy and never lived by it. He always called on the state for his success.

Collectivist Lure

Communism's threat to America should never be underestimated. As capitalism's abuses are more and more apparent, labor is being incited to try communism; as individualism fails, collectivism is urged.

It is true that "capital cannot do without labor;" it is equally true that "labor cannot do without capital." One is just as important to remember as is the other.

The Moral Sanction

Social Justice shouts "capital cannot do without labor, and labor cannot do without capital."

The first tax on productive industry is labor's wage, for labor furnishes the "living stones" and not the dead matter of productive enterprise. The wage should be a just wage, a living wage and therefore an annual wage.

Capital is entitled to a just return on its investment, its land and factories, its machinery and tool equipment, the management it hires and the raw materials used in production.

Predicating its position on the two-fold character of private property—its individual and social character—Social Justice reaches into the moral law for its sanctions. There is wealth enough for all. There is no need to limit wealth if men will but use it, not as the owners but only the trustees of their superfluous abundance.

Pay labor the annual living and just wage, and atheistic communism could never place one foot on American soil.

Place the money power where it belongs, in the hands of the people's Congress and communism knows that it is beaten in America.

Labor has a free choice of the three paths.

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America's Youth

Social Justice Junior League

The accompanying letter to Father Coughlin and his reply thereto will serve to answer dozens of similar inquiries that are coming in from all parts of the country. Youngsters, so soon to be voters themselves, have caught the zeal of their elders for social justice and desire to do something more with their time than merely wait to becoming eligible to vote. Here is an answer for them.

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Reverend and dear Father:

Having followed your movement for social justice since its organization, we have become very much interested in it, but have found much socialistic resistance toward it in our city.

We know and you know that the Socialists are interested in youths, since they will be the future voters. They are attempting to influence young men in their most impressionable years, rather than older men who hold set ideas. We know this, because we have been invited to their meetings by the head of the society in this region.

Our plan is to counteract this attack with a junior "League for Social Justice," consisting of young men between the ages of 18 and 21, or younger, if you think best. There is a grave need for an organization of this kind all over the country, for young people who are left more or less to themselves.

This plan has been discussed thoroughly between ourselves, with counsel from older men belonging to your National Union for Social Justice. With your advice and consent, we desire to form such a league, along the same lines and principles as the National Union.

You are a very busy man and your time is occupied with the work for your radio talks, the Shrine and the National Union. Therefore, with your name as a backing, we would be willing to do all of the actual work, if this were agreeable to you.

Sincerely yours,

R. E. K., Erie, Pennsylvania.

You may go ahead and form a "Junior League for Social Justice," which may function as study club.

They may also operate as auxiliaries to the local units of the National Union by presenting themselves to the presidents of these units and offering their assistance in securing members.

It is suggested that one of the members subscribe to the "Congressional Record," which gives day-to-day information on the activities of Congress. An admirable source of valuable data on our financial system and its proponents is the book entitled "Money Creators," written by Miss Gertrude Coogan and published by the Sound Money Press in Chicago. Father Coughlin's new book, "Money: Questions and Answers," is now available to any who will write to him for it.

YOUTH SPEAKS ITS VOICE

Youth believes that the tradition of intelligent co-operative democracy will survive in our nation and that Fascism and dictatorship will not grip America.

Youth is impressed with the folly of war, is militant and defiant in its determination not to be rushed into combat; but recognizes that States, as well as individuals, must protect their rights; and that moderate preparedness is necessary for the nation.

Youth, though penalized unduly by our economic follies, still believes that there is a way out and that will power, self-control and patience will win a way for marriage, homemaking and financial stability.

Youth can manage its own entertainment, frowns on rowdy beer gardens, and loosely-run drinking places. Youth demands clean movies.

Youth wants a broad cultural education as a preparation for specializing in some technical or professional field.

Youth agrees unanimously in its belief in a personal God with the consequent duty of worship and service of the Deity and the obligations of brotherhood to fellow men.

Three hundred student leaders from eight institutions of collegiate rank in the metropolitan area of Detroit came substantially to the above conclusions in an all-day Intercollegiate Youth Adult Hearing on Sunday, March 22nd.

Subtitled "An adventure in co-operative understanding" the hearing was planned by student, faculty, and youth group leaders who believe that a sensation seeking minority among college students have presumed to usurp the voice of the campus and spread the impression that youth is radical, malcontent, belligerent, or definitely "leftist."

Want Honest Guidance

The subjects, and ten lead questions under each topic, were prepared after some three meetings participated in by student and adult leaders with a faculty representative guiding the committee on each topic as a research adviser. Those who sometimes imagine that youth is wanton, rushing headlong into turbulent problems would have only to listen and be convinced that youth wants attention, guidance, help, encouragement and the way lighted by the sober counsel of their elders.

The general sessions opened at 10 o'clock, with talks by prepared student speakers to define the problems of each group. Then each group with a leader for discussion repaired to its own committee room and threshed out, under student leadership, the problem it faced. At 2 in the afternoon, designated speakers from each group brought back their report to a large general meeting at which were 15 adult leaders, Detroit men and women outstanding in some field.

God Rules Hearts

The one uncontested and unanimous committee report, about which there was no minority or individual dissent, was the existence of God and the consequent obligation men have to serve Him and live in a world as brothers. This topic proved the highlight of the day's discussions, and youth threw at its adult hearers a defiant challenge to believe and prove its belief in the Deity and man's interdependence from this religious background.

The students felt that this topic was not properly answered; and this perhaps was due to the very mixed character of the adult group which feared controversy if any but the broadest Christian principles were enunciated.

To one of the adult group, who had insisted that youth be taught more about sex and the sex problems of maturing life, a college sophomore, tired with the insistence that sex knowledge could satisfy or solve the problems, countered with the direct question to his adult adviser from the floor in a general public meeting.

"But, Doctor, just what in the sex problem do you think we don't already know?"

It was a clear indication that youth is not preoccupied with sex but realizes that the religious, moral and economic problems of life are far more challenging and intriguing.

Students Form Campus Co-ops

Youth pays heavy for the greed of chain store stockholders.

Youth works long hours Saturdays and every day for meager pay. Like absentee landlords far away, the grasping stockholder skims the cream, in the present system of the chain stores, the greedy octopus of American business.

Students Form Co-Op

Has youth any thoughts on this topic?

One has only to peruse the press release of the National Student Federation of America to realize that youth is already at work on this problem—and licking it!

At the University of North Carolina more than 2,000 of the 2,500 undergraduates are members of a cleaning and pressing co-operative, which did a business of $15,000 in 1934 and topped that figure considerably in 1935. They press and clean and deliver suits for 40c against a former price of 75c.

The students own their own truck, employ a manager and hire two clerks and six cleaning and pressing experts. They started on a shoestring, a capital of $760 having been subscribed by one dollar fees by charter members.

Movement Nationwide

Representatives of college co-operatives from eleven states, meeting in Indianapolis, organized to speed development of co-operative eating clubs, bookstores, dormitory, gas stations and cleaning and pressing shops on college campuses.

Forty-nine distinct and successful co-operative ventures were reported from the various campuses and the students formed the nucleus of a national association which is expected to expand into a permanent college organization.

"Student co-operatives have made possible drastic cuts in living costs at colleges and have demonstrated that students can run their own businesses democratically on a non-profit basis," says the Federation press.

American Youth Hostels Tried Out in New England

Among encouraging evidences of the determination and thrift of American youth are the new American Youth hostels throughout New England.

A chain of 33 hostels spreading from Northfield, Mass., through New Hampshire and Vermont, has been opened for young people who wish to hike or bicycle their way through historic and picturesque New England.

The Great Lake states are next in the plan and New York state has been surveyed for it, too.

Richard Schirrman, a school teacher at Westfalen, Germany, is said to have originated the idea some twenty-five years ago. He felt that spending the vacation with his pupils, in hiking, talking and studying, enabled them to live vigorously and taste adventure. More than 200,000 youth hostelers have been accomodated in his castle at Altena since 1910 and the average cost has been 25 cents a night.

Persons under 25 may belong to the American Youth Hostel for one dollar. Travelling hostelers must register in the American chain before 8 o'clock and the lights must be out by 11. No smoking or drinking is allowed in the hostel. A pass is given each hosteler and if there is misconduct he forfeits his privilege of using the hostels.

It looks like a fine forward looking step which Isable and Monroe Smith, hikers and hostelers, have initiated at the Richard Schirmann Youth Hostel at Northfield, Mass.

Two years ago Prof. Thomas Minehan of the University of Minnesota startled us with his book "Boy and Girl Tramps of America," in which he estimated the youth hitch hikers of America in the hundreds of thousands. Great moral and social dangers beset unguided and unguarded youth thrown loose on the highways.

The effort at Northfield looks like the pioneer spirit of American youth at work, fighting and finding its way out of the handicaps of the depression.

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NATIONAL UNION NEWS

Units Awaiting Congressional District Call

Through the activities of temporary supervisors and their deputies the National Union has been able to operate in many states and at the same time adhere to the democratic ideals of its constitution.

Nevertheless, these supervisors and their deputies are working under serious handicaps insofar as they have not been elected to their offices by the members of the National Union.

Several supervisors have informed the central office that many units operating within their districts and states are unduly concerned about the identities of the Congressional candidates whom the National Union will endorse for the primary and final elections.

Candidates' District Concern

According to the regulations under which the National Union is operating, the endorsation of Congressional candidates is purely the business of the Congressional district assembly. Consequently, not until after April 5th will it be possible for the National Union to endorse any candidate in any Congressional district.

The officers and delegates from local units, while proceeding to the Congressional district assembly with instructions from their local unit, as to which political candidate they will endorse, should, however, hold themselves open to compromise when compromise will be found necessary.

According to information just received, the presidents of the units within any given Congressional district will be notified by the deputy supervisor as to the time, the place, and the manner in which they should convene, together with their local unit officers and delegates, for the social meeting at which the officers and delegates will become acquainted.

Order of Meeting

The deputy supervisor of each Congressional district is to consider himself as temporary chairman of the Congressional district assembly.

At this social meeting the officers and delegates will vote upon the meeting place for the official Congressional district assembly meeting.

In those states where no deputy supervisors have been appointed, the president of Unit No. 1 in each Congressional district will act in this capacity.

It is expected that the official Congressional district assembly meeting which will take place ten days after the social meeting, will be conducted along definite parliamentary rules. Following the nominations for the presidency of the Congressional district, there should be a recess for a few minutes for certain nominees to withdraw. The balloting for the presidency of the district assembly should continue until some one candidate receives at least 51 per cent of all the votes present.

Officers Are Important

Immediately following the election of the president of the Congressional district assembly, the deputy will step down from his chair which, henceforth, will be occupied by the elected president.

Recognizing that the destiny and welfare of the National Union in any given Congressional district will be in the hands of the Congressional district officers and assembly, this will be a most important meeting, which will be scrutinized by every journalist, politician and critic in the nation.

In those states where the primary elections will not permit waiting ten days for the Congressional district assembly meeting, they will elect a president either on April 5th or immediately thereafter.

Other states, where the primary elections will permit the National Union to postpone elections for a month or more, will schedule a Congressional district election even later than April 15th. This is to be done only with the consent of the Congressional district assembly which will be expressed at the meeting on April 5th.

Minimum for Local Units Changed

EXPERIENCE has demonstrated that it is a difficult matter for organizers to secure 100 members in a local unit. Therefore, the minimum number of citizens required to form a local unit shall be reduced from 100 to 50 for urban localities and to 25 for rural localities.

Thus, in towns whose populations are less than 1,000, local units of the National Union for Social Justice may be established with a minimum of 25 persons. In towns of more than 1,000, the minimum for a unit in the National Union shall consist of 50 members.

At the Congressional District assembly scheduled for April 5th, units consisting of 25 members will be represented by one vote; units consisting of 50 members will have a representation of two votes.

All organizers who already have obtained the minimum of 25 or 50 members just described shall proceed immediately to send the registration cards to the central office at Royal Oak. In turn the central office will mail to you the membership cards for you to distribute.

All Should Have Father Coughlin's Book on Money

Father Coughlin's new book, "Money: Questions and Answers," is ready for distribution.

"In writing this volume," Father Coughlin explains, "I have kept in mind the ordinary American citizen. In language that is easily understandable and in logic that is easily followed, I believe that I have unveiled for you the mystery of money, together with the mystery of modern banking. In its 192 pages I have not only shown how we have been led into the bondage of financial slavery, but have thrown a clear light on the highway that leads to economic liberty.

"You have been reading the bankers' side of the question long enough. You cannot afford to neglect reading our side, which is substantiated by documentary evidence and clear-cut logic.

"The book is not for sale. As long as it is financially possible, copies will be mailed to every citizen who will write for it. . . . I have every confidence that those who can afford it will defray the expense of printing this book for our hundreds of thousands of impoverished fellow citizens."

Speakers Must Be Approved

When the National Union decided to organize units in small groups of not more than 250 persons there was a reason for it. The founders of the National Union had in mind that, in such small groups, individual members would have a chance to express themselves in an orderly manner. But qualified members approved as speakers by the State Supervisor or the Deputy Supervisor or the Royal Oak office may discuss fundamental principles of Social Justice before units of which they are not members.

However, local unit meetings should be held at least once a month. At these meetings the local unit president will read a special letter composed by Father Coughlin and addressed to the meeting. This letter is designed to occupy about twenty minutes.

Following the reading of this letter it is suggested that the president, the secretary, and the treasurer report to the audience on business already completed. This should be done without interruption on the part of the members.

After this, new business should be considered. No member should be allowed to occupy the floor longer than five minutes without the common consent of all the members present. This new business should not occupy more than 20 minutes of the time allocated for the meeting.

The remainder of the time should be devoted to discussion of one of the sixteen points of social justice. Preferably this discussion, during the next year, should be limited to the subject of money and banking. A plentitude of material will be found in Father Coughlin's book, "Money: Questions and Answers," which every member of the National Union should possess.

It is not intended that the entire meeting should be devoted in any case to politics. However, it is appropriate that, preceding April 5, the members of the local units should be able to express themselves on the candidate for Congressional office whom they prefer to support.

QUESTIONS AND ANSWERS

Just what provision have you made in your program in the event that there are two suitable candidates in the field for election, one from each outstanding party?

ANSWER

We do not anticipate that the problem will arise in any Congressional districts, where the candidates for Congress from each party are committed to the program of the National Union for Social Justice. If such a circumstance does arise, and the representatives of each party pledge themselves to work for and vote for the establishment of a government owned Central Bank to replace the Federal Reserve Banks, the members of the National Union are in a singularly fortunate position. They are free to vote for either candidate, knowing that our purpose would be attained in voting for either. In a situation of this kind, moreover, there is always a differentiation between the personalities, the records and the general qualifications of the two candidates which afford a basis of choice on personal qualifications.

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Advertising Meetings

Is there any objection to inserting paid ads in the daily newspaper stating that those wishing to join the National Union for Social Justice, or wishing to subscribe for Social Justice *may do so by calling at the writer's office?*

ANSWER

There is no objection to placing announcements of when and where meetings of the National Union will be held and including an invitation to attend the meeting. Social Justice can be obtained only by writing individual letters to the Shrine Office at Royal Oak, as postal regulations prohibit such an arrangement as you offer.

"Fired" for Organizing

After three years of faithful service to my employers, I was notified this afternoon that because of my acting as a solicitor of members for the National Union for Social Justice, I could turn in my tools and that my services were no longer required. I would like to ask you for your personal advice as a warning for their other employees.

ANSWER

Whenever an employee is discharged from a corporation or company, organization or shop, simply because he solicits registration names for the National Union, then the National Union will have to defend its volunteer organizers by publishing the name of the concern, corporation or organization, with the hope that members of the National Union living in the locality, and throughout the nation, will know how to return their thanks to the said corporation.

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FATHER COUGHLIN'S

Social Justice Applied to Labor

Sunday *March 15th, 1936.*

TO THE AMERICAN LABORER who earns his bread by the sweat of his brow, I address these remarks on behalf of the National Union.

In a brief and simple manner I shall endeavor to express the salient principles of social justice insofar as they are definitely related to labor. Therefore, this afternoon's address, not pretending to be an oration, will be a plain exposition of principles to clarify the doctrine of social justice on the question of labor. Be it noted, my friends, social justice is a practical, thoroughgoing philosophy. As old as Christianity, it reappears upon the scene of modern life to preserve our civilization, to cherish our democratic form of government and to safeguard the material means without which it is well nigh impossible to practice the virtues of the spiritual life.

Fully recognizing that the laboring class of America is exasperated from having been exploited by the erroneous philosophy and unmoral practices of modern capitalism, we who believe in social justice prudently fear that an economic change is inevitable. The modern capitalistic method of distributing our wealth has failed. The old economic principles motivating the production of wealth have proven to be inefficient. Thus, at the present moment 10-million idle but anxious laborers, together with the vast majority of 42-million underpaid, partly employed laborers, contribute ample proof for this statement.

Either consciously or unconsciously, the laborers of America are moving towards a change which, forsaking modern capitalism, will lead them to adopt some form of socialism, some phase of communism, or some adaptation of fascism unless a saner and more logical program is offered to them.

Those who believe in the principles of social justice are not blind to the impending change. Therefore, with the hope of converting the minds of Americans to its viewpoint, the National Union—consisting of those citizens who are opposed both to the paganism of modern capitalism and to the illogic of extreme socialism and communism and fascism—presents its views and its beliefs on labor in the following 20 questions and answers.

1. Does social justice believe in the right to private ownership of property?

Most certainly. By his nature, man clearly demonstrates that this is a sound principle. Why do you work and toil? Is it not to acquire wealth for yourself and your loved ones? Why has every tribe and race of men condemned theft? Is it not because the thief takes what is not his own? Why do men complain bitterly against modern capitalism? Is it not because it concentrates wealth in the hands of a few and deprives the ordinary workingman of such private properties which will enable him to live comfortably and decently, free from the constant threat of starvation and nakedness and secure from the ever-impending prospect of forced idleness with no means of sustenance?

Read the book of human nature and then analyze your own thoughts. It is clear, even to the casual observer, that the right to private property is one of the inalienable rights of man who, gifted with free will, is endowed by the Author of human nature with the obligation of caring for himself and his dependents. Is it not logical to assert that here is an obligation which cannot be fulfilled without the corresponding right to possess private property?

2. Does social justice believe that all property must be owned privately?

Absolutely no. Man is a social being. As such, his life and that of his wife and children are dependent upon the cooperative and social activities of their fellowmen. Moreover, society as a whole is so dependent upon certain essential forms of wealth that their private ownership would endanger the life of society. Thus, society, as such, cannot function securely and satisfactorily unless certain forms of wealth are owned in common. Only a radical would claim that the air we breathe, the water we drink, the army and the postoffice system should be owned by a private individual or group of individuals.

3. Specifically, what forms of property and of services does social justice teach should be owned in common?

In an absolute and uncompromising sense, admitting of no exception, the followers of social justice maintain that money, the common denominator and distributor of practically all material wealth, should be coined, issued and regulated by the Federal Government. This principle of social justice is in harmony with the Constitution of the United States. In a relative sense, we believe that basic transportation systems, basic natural resources such as oil, iron ore, basic power and lighting systems, basic transportation and basic communications systems may be owned in common at the will of the people, but only when it becomes evident that by their private ownership the public good is impeded and the citizens are exploited.

This statement regarding the relative public ownerships of those forms of wealth just mentioned must not be interpreted in the sense that private individuals or corporations shall be forbidden by law to own and operate oil wells, mines, power plants, transportation systems, telegraph, telephone and radio systems. The only interpretation permitted under the principles of social justice is limited to this: namely, that a government may own and operate such forms of wealth when necessity demands it, either in cooperation with or in competition with private corporations.

4. Does social justice teach that factories or producing units should be owned socially?

Social justice is opposed to the public ownership of factories because such a system, destroying private initiative and sane competition, would establish for the entire nation a uniform mediocrity. Social justice, opposed to the capitalistic tendency to monopolize industry, is opposed both to the socialistic and fascistic theories of industrial state monopolization.

5. What, then, is the attitude of social justice relative to ownership?

Retaining the principle of private ownership, social justice aims at increasing private ownership to such an extent that every capable laborer who is willing to work shall receive a minimum annual wage which will permit him and his family to enjoy the frugal comforts which can be produced in this country where natural wealth, brains and industrial ingenuity are so abundant.

6. Is social justice in favor of mass productionism with its multitude of labor saving devices?

Positively, yes. Mass production machinery is a benediction, not a curse. Through it the victory over want in the midst of poverty has been won. Without modern devices men would still be handicapped in using the axe, the plow and the thousands of inefficient hand tools with which he fought against the hostile forces of nature. Without the dynamo, the steam engine, the electric press, the tractor and all other modern power equipment poverty and nakedness and want could not have been conquered.

7. Is social justice opposed to the corporative ownership of factories?

Not at all. It is the abuses and not the uses of corporative ownership to which social justice is opposed. Only by uniting the financial resources of private individuals is it oftentimes possible to build and operate giant factories where, through quantitative production, it is possible to manufacture cheaply many articles which would be too costly to produce through the limited resources of one individual.

8. For what reasons, then, does social justice complain about mass production factories and corporate ownerships?

Because, as a rule, they exemplify and practice two of the worst abuses of modern capitalism. The first abuse is that the owners of these factories pay the laborers not for what they produce but on the basis of how many hours they work! This is so notorious and such a flagrant transgression of justice that—despite the ever-increasing capacity for factories and new machines invented to produce a greater number of units of wealth with the need for fewer laborers to operate these factories and machines—the laborer's pay has not been increased accordingly. The second abuse is related to the first. The owners of these factories, oftentimes, are controlled, as are the factory policies, by absentee bankers who originate and control the money without which these factories can not operate. Dominating this financial and industrial policy is the capitalistic theory that factories must operate only for a profit, which theory, according to social justice, is unsound and unsocial.

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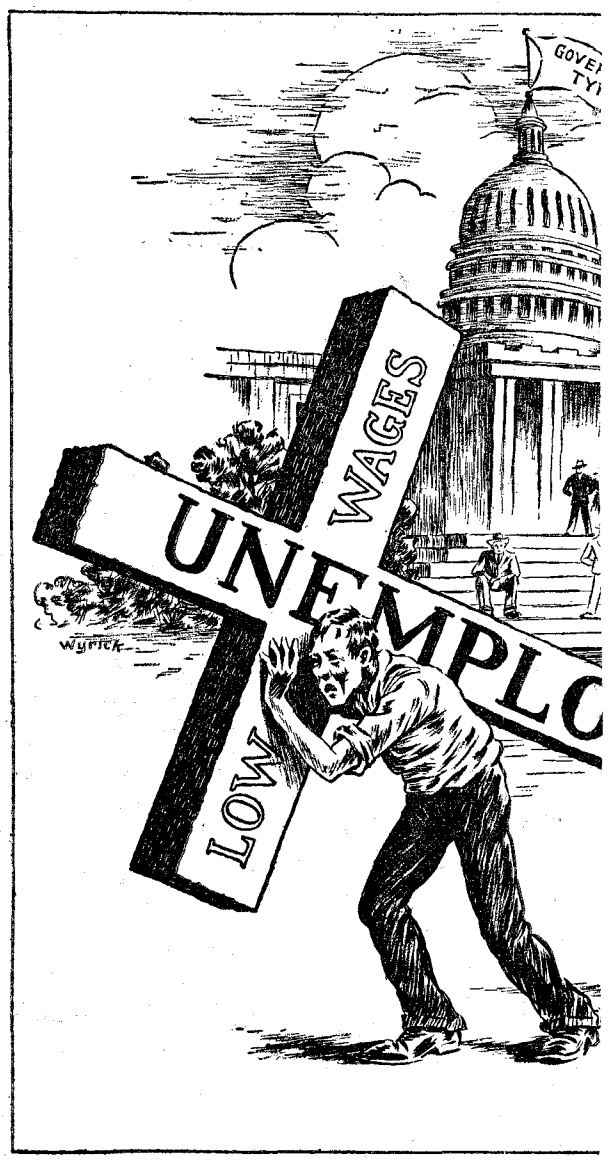

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9. If social justice is opposed to the theory of "production for a profit" what principle of operation does it uphold?

Social justice upholds the principle of "production for use at a profit." The reason is obvious when it is remembered that the ownership of wealth does not permit the owner to use it when and how he pleases. Is this not evident when one considers that, although he owns a motor car, he may not use it to drive recklessly on a crowded thoroughfare, thereby endangering life? The ownership of a factory does not imply that the proprietor may operate

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SUNDAY RADIO TALK

it only for his selfish gain. The wealth he acquires from his factory comes from a patronizing society. He must, therefore, operate his factory not only for his own profit but for the use of society. He is merely the trustee of wealth and may not operate his factory against the common good. Nor may he hoard his wealth, or refuse to operate his factory although no profit accrues to him, when the public good or necessity requires its use.

Human needs and rights—the rights to food, shelter, clothing, medicine, education and to the frugal elements of a decent living—must take precedence over financial rights, which are predicated upon the immoral theory of production for a profit.

OF AMERICA"

—*Drawn especially for Social Justice*

olicy Crucifies Labor

10. On what basis, then, does social justice advocate a living, annual wage for all capable laborers who are willing to work?

Wealth is not money, nor is money identical with wealth. Money is only the receipt for wealth. Consequently, with our factories and fields, our engineers, executives and working men capable of producing all the goods needed to supply every national demand of the citizenry, it is a crime to stifle and smother production in order to perpetrate the heresy that money is wealth or that wealth is money.

When men and women and children are undernourished, poorly clad, forced to live in unsanitary houses, compelled to forego medical attention and deprived of the plenitude which surrounds them because of this unsound and unworkable theory of money, social justice demands that such a theory be replaced by one that is sound.

A small group of private citizens, possessing the control of coining and regulating money, are responsible for the payment of slave wages, for the opening and closing of factories, and for retaining want in the midst of plenty, and for preventing the distribution of wealth.

Social justice, recognizing this financial evil, strives, therefore, to break this money control so that it will be possible for factories to operate for use at a profit to all concerned.

11. How is wealth distributed?

Wealth is distributed chiefly through the medium of money, which, as far as the laborer is concerned, comes to him through wages.

12. Has the laboring class a right to a living, annual wage and a right to share in the wealth which our nation is able to produce?

Absolutely yes. The laborer not only has this right according to social justice but has a duty towards his wife and children to secure this living annual wage even though he organizes to destroy a system of distribution which prevents the wealth of the nation from being reasonably distributed.

13. Are not extreme socialism and social justice identical, then, in their objectives and the means to acquire them?

Positively no. Extreme socialism advocates the public nationalization of all wealth-producing factories. Social justice advocates the destruction of a false theory and practice which impedes the distribution of wealth through the medium of privately coined and regulated money.

Extreme socialism is concerned mostly with the redistribution of past wealth, but does not forcefully oppose the financial system by which this past wealth was concentrated in the hands of a few.

Social justice is concerned with the distribution of future wealth and aims, first, to correct the financial system of distribution so that a just share shall be acquired by all those who are willing and able to engage in production.

14. What errors and fallacies are found in the present system of finance and what remedies does social justice suggest?

This question is fully answered in the book "Money: Questions and Answers" which I have just published and a copy of which you can acquire by requesting me to mail one to you.

15. Does social justice labor under the delusion that these objectives can be gained without organization?

Certainly not. It is both the right and the duty of every laborer to unite with his fellow laborers in solid, constitutional organizations. The ignorance of millions in the laboring class, who do not know the history of their economic oppression, and the timidity and selfishness of other millions who care neither for their fellowmen nor for their own children, who sooner or later will be compelled to wear the shackles of industrial slavery, are responsible for the disorganization in the ranks of labor. This disorganization permits the continuance of less-than-living wages, of "pay-while-you-workism" and "starve-when-you-are-idle-ism," of want in the midst of plenty. The rapacity of modern capitalism could not endure another year, if the laboring classes became informed, united and organized to demand not only a just annual wage, but also the destruction of a financial system which has gradually gained control over most industries and over the inalienable rights of the citizens.

16. By this statement, does not social justice advocate a species of class warfare?

Positively not. It does advocate, however, that an exploited people will forcefully oppose the class warfare which the central bankers and banker-controlled industrialists have been waging against an innocent population. Central banking and banker-controlled industrialists have been the unjust aggressors. The offensive has not been taken by the laboring class. The laborer has been the victim. His rights have been invaded. His duty, as it now appears, is to reclaim his rights by peaceful, organized, democratic means.

Let not the propaganda of class warfare disturb you. Those who raise that cry are like the purse snatcher who yells "stop, thief," to distract the public's attention.

17. What kind of organization is advocated by social justice?

First, trade unions, especially for all those engaged in non-mass production activities.

Second, vertical unions or associations which extend beyond the limits of a single trade. These are especially desirable in mass production industries such as operated by the motor factories.

18. Is a living, annual wage the only objective to be gained by these trade unions and vertical unions?

Not at all. Social justice proclaims not only the right for labor to engage in collective wage bargaining. It advocates that the officers of these unions, free from the domination of the employers, should seek a just share in the profits and demand a voice in determining the maximum hours of work as well as the establishment of sanitary conditions under which labor is compelled to work. More than that, unionized labor should have a fair representation in writing, executing and enforcing the laws of compensation for injury which functions are, at present, entirely in the hands of employers or of politicians subservient to employers.

19. Does social justice encourage strikes when the just demands of organized labor are unheeded?

Social justice teaches that the state should intervene when the contending parties cannot come to an agreement. But if the state fails to intervene or, after intervening, manifests a spirit of favoritism towards the employer, then, strikes are permissible as long as no grave public injury and no violence either to person or to property eventuate. The modern workingman has nothing for sale except his labor. No one can force him to sell this labor, individually or collectively, at a loss to himself or to his fellow workingmen and at a profit to the employer. No one can compel a group of laborers silently to suffer the constant fraud of wicked regulations to which they are subjected under modern capitalism.

To quote Pius XI in a statement relative to this point, we read the following words:

> *"The regulations legally enacted for corporations, with their divided responsibility and limited liability, have given occasion to abominable abuses. . . . The worst injustices and frauds take place beneath the obscurity of the common name of a corporative firm."*

20. Does social justice advocate that labor organizations oppose the doctrine of rugged individualism which means that factories shall be operated only for the profit of the stockholders and free from government regulation?

Social justice is opposed to that industrial individualism which insists that industry should be free from all government and social interference and control. In a democratic country labor organizations cannot oppose this radical anarchy postulated by modern industry unless just representatives, loyal to the just demands of labor, are elected to Congress. It is the business of Congress to legislate constitutional rules and regulations defining the operation of factories just as Congress legislates rules and regulations defining certain activities of food shops to safeguard the health of the nation.

In our day it is true that flagrant abuses exist in the ranks of labor because, sometimes, labor lends its ears to misguided leaders. However, labor is more sinned against than sinning. More flagrant abuses characterize, oftentimes, the banker-dominated employers. The sacred 6 per cent of profit to the coiners and lenders of money seems to be the first rule of our harsh industrial life. Social justice teaches that the first rule of industrial life is to pay labor an honest, annual wage. Inspect the budgets of practically every industry and you will find that there are fixed costs for building and maintenance, fixed charges for machinery and equipment, fixed expenditures for insurance and financing and fixed revenues for stockholders. The only unfixed and variable cost is the cost of labor.

When a crisis in national finance is impending, boards of directors will cast out the work-

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Social Justice Applied to Labor—Continued

ingmen upon an unkind world or else cut and slash their meager wages. In modern industry meticulous care is expended upon the preservation of the lathe and the press, the furnace and the laboratory, but too often an attitude of indifference is manifested towards the body and soul of the laborer who is more essential for the operation of industry than are all the machines in creation.

No wonder that the product of the factory, originally crude timber or pig iron or baled cotton, comes forth glistening and shining in the finished motor car, while the workmen themselves go home bowed and broken to their undernourished children, under a system where financial and industrial rights take precedence over human rights.

Social justice, therefore, teaches that the workingman who has dedicated his life to a specific industry must be insured against needless destruction if the machines themselves are insured against fire and loss. Social justice teaches that if the sacred 6 per cent must be paid in season and out of season on specific dates to the owners of capital, the more sacred annual wage must be paid in season and out of season to the laborer who has contributed his body and soul to function with capital.

While social justice teaches that labor cannot do without capital, it also teaches and insists upon the principle that capital cannot do without labor.

These are the principles of social justice in its attitude towards labor. By these principles we stand or fall.

My friends, there is plenty for all in this nation. You have the right to secure your share of it in an organized, constitutional, American, Christian, manner.

One hundred years ago there was want in the midst of need. Populations were increasing rapidly. Pioneers pushed their way into the western wilderness, blazing trails and clearing farm sites. Our own people and the hungry mouths of Europeans needed wheat and rye and beef and cotton, shoes, clothing, farm implements, machinery of every kind, as a new-born civilization was battling poverty in its last stronghold.

Thus, industry after industry sprang into existence to satisfy the wants of a victorious people. Ten thousand smokestacks belched forth the incense of industry as they fulfilled the law of supply and demand, as they blotted out want in the midst of need.

The battle for production had been won under the leadership of capitalism, which was originally described as an economic system by which one generation could borrow from another at interest for productive purposes.

In its definition that word "production" is most essential.

It was not and never pretended to be a system for distributive purposes.

It was the best system in all creation to solve the riddle of "want in the midst of need."

But as the years rolled by, capitalism began borrowing money for destructive purposes. Abuses began to grow upon it like cancers. Profit became its watchword. Exploitation became its tool.

Today, because of its vices, it is the poorest system to answer the question of the modern sphinx, namely: "How shall we proceed to destroy want in the midst of plenty?"

As I said at the outset, I am not endeavoring to persuade you, my friends, that capitalism as you know it must be exchanged for the strange but apparently popular theory of modern socialism. I firmly believe in private ownership. I am firmly convinced that there is not enough of private ownership. It is more private ownership that we require. Therefore, let us turn our minds to social justice for the purpose of establishing a system that will attain this end.

To my mind, modern capitalism and Marxian socialism are Siamese twins. The public has been taught to believe that they were contradictions. But the public is changing its mind.

The exponents both of modern capitalism and of extreme socialism agree that private ownership is inimical to the welfare of the people. Capitalism steadily concentrates all the wealth and control of credit in the hands of a few; extreme socialism proposes to crystallize all wealth in the hands of the state.

Moreover, when confronted with the necessary unemployment engendered by the advance of science and the perfection of machines, the modern capitalist and the extravagant socialist have in common the one quack remedy: "Get all men back to work—work for five or six days a week and, if possible, at double shifts."

"Speed up production—and profits," cries the capitalist.

"Earn your bread by the sweat of your brow—the more sweat, the more bread," says the socialist of the Stalin type.

Both rabid socialism and moribund capitalism are Siamese twins. I repeat. They fail to see that the problem of production has been definitely solved years ago. "Less sweat" is the gospel of today. Man does not live by bread alone. He has other objectives in life rather than to constantly worry over the necessities of his body which God and science have supplied to us.

With the aid of the tractor and the gasoline engine, millions of acres provide more grain than we can consume, more cotton than we can use. At a speed of better than 50 miles an hour the products of the western fields are hurried to the populous centers of the east. Trains and trucks return freighted with every commodity — shoes and steel, motors and refrigerators, medicine and text books—so rapidly produced that it is impossible for us to consume them unless we can purchase them. If we have the foresight of a child, it is evident that unemployment must always be with us unless science comes to a standstill, unless our laboratories are destroyed, unless we surrender all hopes of discovering the secret of the atom, the mystery of the sun's rays and the advances to be derived from increased power and transportation.

Is it not evident that we must organize to destroy "pay-while-you-workism" and to establish a system which will permit all to enjoy the plenitude which surrounds us—even with less manual labor?

The only way that we can prevent the advance of science, the perfection of machinery and the constancy of unemployment is to burn down every university that we have, destroy every technological institute and make it a crime for a man to think.

My friends, neither you nor I are pessimists. There will be progress. More advances in production and in science are in store for us, I dare say, during the next thirty years, than were achieved during the past three hundred years.

The theory of unceasing manual labor, of constantly mixing bread with sweat—the theory that the existence of the human race is totally identified with these things, the theory that men cannot eat unless they constantly work in a factory—that theory is fallacious in view of the fact that the problem of production has been finally solved and that man has gone one step forward from the original red mud of the marsh of his primeval existence.

Laboring men, the heritage of the past is yours to enjoy. The benedictions of the present and of the future will be yours if you organize!

There is plenty for all if we Americans have the intelligence and the fortitude to reach out and take it.

Therefore, the National Union is not bidding you to unite in groups of twenty-five or fifty to fight against poverty, because there is no poverty. Its proper name is slavery. The National Union invites you to organize your battalions to oppose those systems of economics and of politics which disbar you from enjoying the wealth with which both God and our fellow laborers have surrounded us.

It is yours to decide, in a constitutional manner, whether through your negligence you and your children will be content to wear the shackles of depression or whether you and your fellow laborers shall rise in your justified and intelligent wrath not only to stem the onrush of communism but to break the back of modern capitalism which hypocritically preaches in public the right to private propertyship while, in private, it concentrates all wealth in the hands of a few.

In concluding these remarks, my friends, may I bring to your attention for the last time that, in the name and cause of social justice, you are entirely welcome to receive a copy of the new book on money which I have just written. I am sure that you will enjoy its pages because it is written in question and answer form, similar to the discourse which I have just delivered on the question of labor, and contains almost a thousand questions and answers on money and the road to economic liberty.

I am sure that such a book will enlighten you and prepare you to do battle against our common enemy of economic slavery.

For the last time, may I tell you that the book is yours for the asking whether or not you can afford to make a contribution.

Write this week to me for it. Address your letters to Rev. Chas. E. Coughlin, Royal Oak, Michigan.

Liberty League Voices Concern For Ownership

The American Liberty League was incorporated (to quote from their pamphlet "A Statement of Principles and Purposes" to) "*defend and uphold the Constitution of the United States and to gather and disseminate information that (1) will teach the necessity of respect for the rights of persons and property as fundamental to every successful form of government and (2) will teach the duty of government to encourage and protect individual and group initiative and enterprise, to foster the right to work, earn, save and acquire property, and to preserve the ownership and lawful use of property when acquired.*"

"*To defend and uphold the Constitution of the United States*"—as they see fit to interpret it, i.e., vesting in the Federal Reserve Board the right to control and regulate the nation's currency. This, despite the fact that the Constitution gives Congress "the power to coin money and regulate the value thereof."

"*To teach the necessity of respect for the rights of persons and property*"—by using the National Guard to combat the only effective means working people and farmers have of protesting against starvation wages, that is, strikes. Respect for the rights of farmers and their property is none of the Liberty League's business. If they are smart enough to get the farmer head over heels in debt and then seize his property, that's the farmer's hard luck.

"*To foster the right to work, earn, save and acquire property*"—regardless of the fact that there are thousands of unemployed who are anxious to get work, and most of those who have work are paid such low wages that they cannot support their families, let alone save money and acquire property. And what happened when wages were high and men were able to put part of their pay in the bank? The banks were closed and the savings swept away, *but* the mortgages and interest went on just the same.

"*To preserve the ownership and lawful use of property when acquired.*" Now that it has all been gathered into the hands of the bankers and the industrialists, naturally they want to "preserve the ownership" and their methods of "acquiring" this property would put to shame the accepted ideas of banditry and depredation.

It all depends on whose property is to be protected and respected.

Hon. Ellenbogen Signed Frazier-Lemke Petition

Washington, D. C.

Rev. Chas. E. Coughlin,
Editor-and-Chief,
Social Justice.

List of signers of Frazier-Lemke petition as published in Social Justice does not include my name. This is a mistake, because I signed this petition. Please make correction in next issue.

Henry Ellenbogen,
Member of Congress.

SOCIAL JUSTICE regrets any typographical inadvertence that may have put the name of the congressman from the 33d district of Pennsylvania in the wrong column. Since the published list was compiled on Feb. 24th, 1936, it is possible that the status of other congressmen may have changed.

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PRESS REVIEWS

Social Justice Hates No Class

"I think it is accurate to say that in the last few years there has been a more deliberate and determined effort by more numerous and varied persons to solidify classes and create class hatred than in any previous like period," writes Frank R. Kent in the American Magazine. "Even though the once wealthy man may be swinging a pick on a WPA job today and his former employees making their way upward, demagogues go merrily on, putting us in our classes and demanding that we do something about it."

History has demonstrated that it doesn't require the calculated calumny of professional demagogues to stir the resentment of a people long oppressed by the small clique who hold the power of the land.

Class hatred, one must admit, is being stirred up, but not by members of the National Union for Social Justice. In fact, the principles of social justice are directly contrary to such results.

"Inevitably," adds Mr. Kent, "it is to those who want to live without work, to receive pay without earning it, to share somebody's wealth without producing any, that this kind of preaching appeals."

If Mr. Kent could read some of the thousands of letters that come into this office, he would be forced to admit that people who are interested in social justice ask only for a job—a chance to earn their living and support their families, a little more time to pay up the mortgages on their homes, an even break with the elements that have ruined the crops on their farms and devastated their land.

The working people and the farmers of America are no lazy shirkers, looking for a soft existence at somebody else's expense. They want to work and all they ask is a decent return for their labor.

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Los Angeles Asks for Light

"Certain sections of the public know that the Father is 'against the money system' and 'for more money.' Roughly speaking, people without money are for Father Coughlin; those who have money are against him. But we have yet to hear one intelligent discussion about the Father's school of thought—what it is he stands for or precisely what he would have the government do."

The writer of the above editorial is apparently unaware of the sixteen basic principles advocated by the National Union for Social Justice. Since he seems to be mostly concerned with the money policy of the organization, we quote the principles which are directly concerned with it:

"(6) I believe in the abolition of the privately owned Federal Reserve Banking system and in the establishment of a government owned Central Bank.

"(7) I believe in rescuing from the hands of private owners the right to coin and regulate the value of money, which right must be restored to Congress where it belongs.

"(8) I believe that one of the chief duties of this Government owned Central Bank is to maintain the cost of living on an even keel and arrange for the repayment of dollar debts with equal value dollars."

If these three statements are not sufficiently explicit for our Los Angeles friends, we will go into more detail. For instance, many people are under the delusion that the Federal Reserve Bank *is* a government-owned institution. In this they are wrongly informed, for it is a corporation owned by the member banks of which it is composed. True, it has a Board of Governors, seven men who are appointed by the president, but you may be sure he follows the advice of the board of directors in appointing them. Their salaries are paid by semi-annual assessments upon the Federal Reserve banks.

Should you doubt that the right to coin and regulate the value of money rests in the hands of private owners, you may confirm the fact by referring to the Federal Reserve Act of December 23, 1913, when Congress transferred this privilege to the Federal Reserve System.

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Urges Shift of Crime Shackles

"The only thing that can put the criminal out of business," said J. Edgar Hoover, director of the Federal Bureau of Investigation, in addressing the New York Herald Tribune round table, "is for the American people to make it their business to combat crime and all of the filthy, stultifying influences which foster crime. Most important of these is rotten politics. Take the shackles off the policeman and put them where they belong, on the wrists of the crooks."

It is a national disgrace that our politics are so corrupted with bribery and under-cover coercion that the criminal element is protected from the public, instead of the law-abiding public receiving protection from the criminals. If the policy of "laissez-faire" is continued much longer, the United States will be so over-run with gangsters and their political henchmen that decent people will have no voice in government or any other human right.

The National Union is doing its best to drive the corrupt influences out of the national government and intends to advocate for Congress candidates who pledge themselves to support the principles of social justice. The election of honest, fearless men to the Senate and to the House of Representatives should, in turn, react upon the local politics and be of material help in cleaning them up.

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The Lobbyist —1936 Model

The modern lobbyist, according to Mr. Duncan Aikman, in New York Times Magazine, is usually an ex-advertising man who has managed national publicity campaigns for large corporations and directed political relations for a national association of "vested interests" in a dozen state capitals between the east coast and the Pacific coast.

"As a result of his professional gaddings about, he knows 'key men' everywhere: newspaper publishers, editors and star reporters; political leaders, both real and ostensible; financial magnates whose words are virtually commands on the corporation front in their regions, the special pleaders and ballyhoo artists for various types of business interests. He knows ward bosses in Connecticut, professional orators in San Francisco, distinguished educators in the Middle West, labor leaders, national panjandrums of lodge brotherhoods, chieftains of veterans' organizations, and fellow-lobbyists of greater and less degree everywhere. If need develops, he can get some one to make a point for him in the St. Louis city council or a Southern church convention."

He knows very few Congressmen or Senators, beyond a small group of picked statesmen who can be relied upon to do his bidding and with whom he is constantly in touch.

Thus when it comes time to act, and "the heat is applied," Congressmen and Senators are besieged with a flood of telegrams, letters, telephone calls and personal calls, all repeating the same refrain, "Vote for Such-and-such a bill" or "Vote against Such-and-such a bill," according to the instructions passed out by the lobbyist to his friends and organizers throughout the country. The impression intended to be conveyed to the congressional mind is that the inhabitants of the nation, or at least of his particular section of it, are unanimous in their feeling for, or against, that particular bill. Threats are employed and pressure brought to bear by the politicians who have been promised a nice little reward if the vote goes the right way.

Even if our Representatives and Senators are honestly trying to do their duty, how can they determine which messages are genuine? What is the actual feeling of the great majority of their voters? Will the results be harmful or beneficial if the bill is passed or not passed?

Perhaps, if each legislator had time and the opportunity to study the measures that come up for action and could determine for himself the wise and advantageous course to pursue, the effects of lobbyism could be overcome. But since that is impossible, the legislative body, as a whole, is forced to take the word of the committee to whom the bill has been referred for study.

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Makers of Arms Not Pacifists

"To be a clerk or office holder under the pay and patronage of the government is to stagnate ambition and hope," wrote Samuel Colt in a letter to his brother, as related in the current issue of the American Mercury. And so, to maintain his self-respect, he invented the revolver and went into the business of manufacturing munitions.

Colt was the first munitions king and in this capacity he instituted the practice of inciting one nation against another for the profit he would make from the resulting hostilities. After the Mexican war, which was the first in which Colt's invention was used, he visited the capitals of Europe and convinced the Russian government that it would be well to arm its forces with revolvers since the Turks were doing so, and then warned the Sultan of Turkey that the Russians had ordered a supply, making him feel the necessity of doing the same. Thus the Crimean war began.

The example Colt set has been followed ever since by munitions manufacturers. When one faction in a dispute orders arms, the opposition is notified at once and thus a double profit is made. And yet these munition makers deny any responsibility for wars.

"It is ridiculous," said Charlie Schwab, chairman of the board of the Bethlehem Steel Company, "and most extreme to charge that war munitions manufacturers encouraged the conflict (the World war)."

No doubt war was the last thing they wanted and the munitions they manufactured were intended for children's toys, or perchance they were made up just to have on hand in case a war should come up some time.

Naturally, the Bethlehem Steel Company would promote peace. Was it not named for the spot where "Peace on earth, to men of good will" was first promulgated? It would be absurd to suppose that the directors of that famed institution could harbor in their manly "buzzums" a craving to line their pockets with the gold of war profits. The munitions business is notably a charitable enterprise and those engaged therein are undoubtedly the last people in the world to hope for or encourage a war.

By Their Flags We Know Them: Pirate and Privateer

"Stop prostituting the American flag to cover up gun-running and bootlegging of arms," said Gen. Smedley Butler in a recent peace plea. "Let Charlie Schwab fly his family flag over his ships carrying guns. Let Morgan fly the skull and cross-bones. Let U. S. Steel and Rockefeller hire their own arms to protect their interests. But let's keep our flag to ourselves. Let's protest its use to cover up a racket."

Now that the Vice-President has his personal flag, it remains for the Secretaries of the Interior, Agriculture and Labor to acquire theirs and the Cabinet can have its own Avenue of Flags.

For the Secretary of the Interior might we suggest an "Indian enveloped in a cloud of dust," for the Secretary of Agriculture a "stuck pig in a field of cotton," and for the Secretary of Labor a batter as "Strike 3" is called.

Then for the Brain Trusters, a 1936 revision of the "Spirit of '76". The central figure representing the headache they have been to us, and the flanking figures "blowing their own horn" and beating a bass drum to drown out the protests of the people.

Al Smith's emblem, of course, would be a battered brown derby with the Empire State Building towering in the backfield.

For Irenee du Pont a flag bearing a "fishing pole with a sack of money on the hook" might be subtly symbolic.

Just now, of course, the "owner's pennant" would have to be issued to the international bankers. But an enlightened public soon may change that.

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NEW TAX MISLEADING TO FARMERS

Corporation Surpluses Hide Out in Undistributed Dividends to Escape Collector

SECOND only to the debt problem facing the American farmer is his tax problem.

In direct taxes upon land and buildings this burden varies between $400-million and $600-million annually.

Such taxes cover merely the local taxes of county, township, school district, drainage, levee and irrigation district, plus other special assessment districts. In many of the states, of course, state taxes also are levied on real property.

In addition to the real property taxes are the various license fees, income, excise, poll taxes, personal taxes and sales taxes levied by the individual states. In other words, the farmer starts with $400-million to $600-million annually levied in direct taxes on real estate and then assumes the burden of other direct and indirect state taxes.

After the burden of the state, with its various political subdivisions, is borne, then comes Uncle Sam himself to relieve the farmer of a goodly portion of his income dollar.

Federal Taxes and the Farmer

Uncle Sam starts the levy with every tariff written on the statute books on goods consumed on the farm. The tariff, rightly understood, is but a bonus to industry levied on all consumers in the increased price paid for the product.

American agriculture has no compensating bonus on the goods it sells to the consuming public, unless by a wide stretch of the imagination the "processing taxes" are so considered. These processing taxes, however, have been levied as compensation for goods destroyed, not sold.

So the farmer pays an indirect tax, due to the tariff, on all manufactured goods he buys and receives no parallel protection on the products he sells.

Then comes the various excise taxes, which are taxes on manufactured articles. These are levied on practically all manufactured goods and invariably passed along to the consumer in the price he pays for the products. All such taxes bear heavily on American agriculture for agriculture buys the manufactured goods of the nation paying its share of all excises. When agriculture sells its product there is no tax added.

In other words, the farmer simply pays an excise tax on the manufactured goods he buys, and there is no parallel tax on the produce he sells.

Income Taxes Relieve the Farmer

There are other taxes of the Federal government which rest lightly on the farmer. The personal income tax is a fine example. This is a graduated income tax and as long as the farmer is producing goods below the cost of production there is no possible complaint on the income tax score. It is the sign of a just tax that those without the ability to pay are not compelled to pay.

Less than half of the farms are incorporated, among the 80,000 farms of more than 1,000 acres. So corporation taxes scarcely affect the farmer directly, though it must always be remembered that taxes are budgeted as carefully by industry as in any other business expense. To the extent that corporations can pass any tax on, in the price of a product, it will do so.

The argument is usually overemphasized, however, that the consumer pays all taxes. If income taxes and corporation taxes were passed on to anything like their full extent, there would not appear the ever present lobbies against such taxes when they are proposed in Congress or in the legislatures of the various states.

Recent Attempts at Tax Reform

Sometimes the people are encouraged to believe that real tax-reform is on its way. When the so-called "Share-the-Wealth" taxes were proposed last year in the first session of the Seventy-Fourth Congress, millions believed that wealth in the form of high income and gifts was to be heavily taxed.

Again this year the president's message on taxing corporate surplus attracts millions to believe that the over-burdening weight of taxation will be in part lifted from the multitude of those unable to bear it and placed directly on those who can bear it with least difficulty.

Behind the theory of taxing corporate surpluses is the well known fact of American economic life, e. g. —individuals are taxed on all their net income; but individual income can be and is reduced by the failure of corporations to distribute their earnings to individuals.

Wealth escapes just taxation when that wealth represents a corporation's surplus. Wealth cannot escape when that wealth represents an individual's net profit or the net profit of a partnership.

Corporation Surpluses

It has become the habit of the great corporations, and small corporations closely held, to omit the distribution of any large portion of its profit in the form of dividends. Sometimes the profit is held as security against the "rainy day." Sometimes it is used as new operating capital. Sometimes it is invested in the expansion of the business. Often it is reinvested in other lines of business. Not infrequently it is used to manipulate stock operations, particularly in its own stock.

It so happens that occasionally the earnings on the reinvested surplus are the only earnings of a business.

Certainly no one this side of communism would set out to destroy all surplus, to compel the distribution of all surplus or to so reduce the surplus account as to render it hopelessly ineffectual against the risks of business.

At the same time no one who understands the problem can fail to admit the inequality that exists between the taxed net profits of individuals and partnership, and the unequally taxed net profits of corporate structures.

Good Campaign Talk

Congress has before both houses the preliminary discussion of President Roosevelt's recent tax message. The press reports various preliminary tax plans to plug the holes in the present laws and stop the escape of revenue by the simple means of taxing heavily the undistributed corporation surpluses.

In the approximate surplus of 16 leading corporations is represented over $6-billions of untaxed wealth. Here is represented 20 per cent of the value of the land and buildings of the farms of America. So it is not surprising that in an election year the attention of the country is directed to this "gold mine" where so few are adversely affected and so many benefited. But what are the facts?

Let us assume that Congress will bring out a bill levying 33⅓ per cent on accumulated corporate surpluses undivided. Before we levy the tax we must realize that these corporations have current liabilities as well as current assets. A tax of 33⅓ per cent on "accumulated surplus undivided" would wipe out all cash, securities and liquid investments of the strongest corporations in the country. Such a tax would leave nothing for payrolls, nothing for cash operating capital.

A Bankers' Bill

Nearly three quarters of a billion dollars would have to be borrowed by the country's leading corporations if a 33⅓ per cent tax on undistributed surplus were to be levied on the accumulated account. In addition, of course, all present cash and securities of these corporations would be depleted.

Is it then not proper to say that there can be no serious thought in attempting to levy an annual tax on the undivided surplus of corporations irrespective of their ability to pay? To do this at the rate of 33⅓ per cent is merely to send at least 15 great corporations to the bankers and to the bankruptcy courts. That is what John Marshall, Chief Justice of the United States, meant when he said: "The power to tax is the power to destroy."

At the same time is it not true that needed revenue must be sought from the very source that unjustly escapes taxation today; namely, the giant corporation that avoids its burdens by refusing to distribute dividends? These dividends would, if distributed, yield just taxes on the incomes of the wealthier stockholders who now prefer to keep their investments in the hide-out holes of corporate surplus. This surplus is not hoarded against the "rainy day," not against the risks of business but purely to escape a just share of a nation's taxes which today rest so unjustly both upon labor and upon agriculture.

Tax Paid Many Times

The bad effects of such forms of taxation can not be over stated, as there is no means available of controlling the number of times that such taxes are added on to the price of any commodity affected.

Thus, though these taxes were subtracted from the prices received by farmers, they were also added, not once, but several times, to the prices that our consumers are forced to pay for their living. Our recovery, the restoration of our buying power, is impossible while such forms of taxation are tolerated.

Though processing taxes have been abolished by our Supreme Court, the spread which they are partly responsible for establishing, between producers' prices and consumers' costs in this country, are being practically held intact, in violation of every rule of common decent honesty, on the part of some of our "middle men," but mainly our processors.

Throwing American Markets

Another crime now being committed against this country and our people, by the "New Deal," our national Department of Agriculture, and their local representatives, our county agents, whose job it is to "sell the idea to the members of their organization," is the crime of excessive imports.

Immediately on their installation into office, the "Brain Trusters" claimed to have adopted the postulate: "The more we import, the more we shall export."

During the World war, enormous fortunes were accumulated by many men in this country, and as greed increases with increasing wealth, and as these men felt that they could reap larger reward by investing their wealth in foreign countries, these foreign investments were made by them. But they soon found that "collections" from those foreign countries were a horse of an entirely different color. They could collect in goods, but not in cash.

Led to Slaughter

The next problem was how to dispose of the goods, and here is where our country was led to the slaughter.

Because of lack of space, we will give our readers only one example of excessive importation, of the thousands of examples in our procession.

We are importing about 225 million pounds of foreign fats and oils every month; about 2,700,000,000 pounds annually.

A big percentage of these fats and oils is used in the manufacture of oleomargarine, all of which is consumed in this country, before our 7 million farm women are allowed a market for their butter.

We now have about 26 million cows in this country. If these foreign fats and oils imports were to be stopped it would take at least 12 million more cows to fill that gap with butter fat, and those 12 million cows would consume around 1,200-million bushels of our grain, always provided we did not import the grain to feed them.

"—Voice of Experience."

Letter States Farm Problem

To the Editor:

Less than two years ago Columbia University, financed by the Rockefeller Foundation, conducted an investigation into the effects of such forms of taxation as processing and sales taxes.

Their report on this form of taxation was wholly negative. These sorts of taxes wedge in between producers' prices and consumers' costs, thus driving producers' prices down, and consumers' costs up.

The result of that form of taxation in this country has been to make our spread between producers' prices and consumers' costs from 2½ to 5 times greater than the same spread in any other country on earth.

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THE PEOPLE SPEAK

An Announcement

This page is yours. As the people speak, their voice will have a hearing in this forum. Anonymous communications cannot be considered. All letters must be signed with the name and address of their writers, as evidence of good faith. However, when so requested, the confidence of writers will be respected and their names not printed with their letter.

Father Coughlin: Will you kindly inform the thousands who are shocked and stunned by your bitter and unreasonable attack on President Roosevelt, just what good you expect to accomplish? By what process of reasoning do you imagine that *fighting Roosevelt, and thereby giving aid* and succor to the Hoover-Mellon regime, who are trying again to gain control of the government after they had wrecked it when they did have control—in what manner do you think such action will be beneficial to the people of this country? . . . The issue is "Roosevelt or ruin." I am for Roosevelt. Who or what are you for?

—Geo. W. Merillat

Silver Lake, Kans.

You know very well, G. W. M., that I have never said a word that would "give aid or succor to the Hoover-Mellon regime," and what is more, I never will. They brought destruction only because they nurtured a predatory banking system. You know, as well as I do, that that same banking system still exists, with the same illegal privilege of coining and regulating money—the prerogative of Congress alone, according to the constitution.

What am I for? Reform that gets down to the evil root—the banking and money system. If you have listened to my discourses and have studied our sixteen principles, you have no need to ask what I stand for.

Whom do I stand for—enlightened Congressmen and Senators who will do their duty and give us constitutional reform, not the palliative of synthetic recovery built on the shifting sands of debt, deflation and foreclosure.

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"Forced Off the Air"

Father Coughlin: What are you trying to do—form a new party? You will never be successful. I was pleased that you are about $28,000 in the red, and I am almost certain, after last Sunday's talk (March 15) that that figure in red will increase so rapidly that you will be forced off the radio.

Chicago, Ill. —C. L. D.

For all I know, C. L. D., you may get your wish—but you can be certain that when I leave the air, I *will* be forced off—and I'll go down fighting.

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12-Year-Old Minds

To the Editor: You say that your organization has nine and one-quarter million members. This is not surprising, when one stops to consider that there are more than twelve million people in this country whose mental age is less than that of a child of 12.

Washington, D. C. —O. J. K.

Perhaps you know more about it than I do, O. J. K., but the vast majority of the letters I have received during the past 12 months sound grown up" to me.

Matter of Personal Duty

To the Editor: Have you, Mr. Coughlin, had your home and property saved from the sheriff's hammer by the Home Owners Loan Corporation? Have you had a dilapidated house and leaking roof repaired and made livable by the Federal Housing Act? Have you had your life savings swept away by a bank failure? Have you ever had half-naked, undernourished children asking for food that you could not furnish? Do you have a son who once roamed the streets and haunted the pool rooms who is now in a CCC camp? Did you ever sell hogs for 3 cents per pound, corn for 17 cents, wheat for 25 cents?

Most certainly not. Then who are you to criticize a man who is making for the American people the "more abundant life," if you please?

Newcastle, Ind. —H. W.

H. W., the best answer that I can give you is that if I were only thinking of myself, my own home, my own security, I wouldn't be fighting for social justice. I'd be preaching sweet-scented masterpieces of rhetoric and sentiment, if I saw fit to broadcast at all. But most probably, I would attend my pleasant round of duties as pastor, and, closing my mind to the sufferings of my fellowmen, I would probably say, "Let George take care of Social Justice." But I feel I have a duty to perform and I am trying to perform it the best way I know how.

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Skeptical of Profit

To the Editor: The farmer in this area is much better off than he was two years ago. The corn-hog programme was upheld 6 to 1 by the farmers. "Cost of production plus a profit," the slogan of the Farm Holiday Association, is unsound economics. It sounds good but it will not work.

Lancaster, Wis. —W. M. T.

My dear W. M. T., if you will take the trouble to look at the July, 1935, issue of "Crops and Markets," published by the Department of Agriculture, you will find that the farmer received for the seven farm commodities under the control of the "Triple A" $64,672,000 less in cash income in the year 1934 than in the year 1933; while all other farm commodities not controlled by the "Triple A" showed a gain of $607,652,000 during the same period. Contrary to what you say, production at less than the cost of production is unsound economics—it's bankruptcy—and the cause of all the present ills of the farmer.

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Thinks President Tried

To the Editor: Is there one of the sixteen points of the principles of the National Union which anyone can truthfully say the president would not in honor and sincerity subscribe? Is there one which he has violated? Because he has not in less than three years, with all the obstacles and handicaps and the great immediate emergencies pressing upon him, been able to accomplish all of these things, is neither surprising nor disheartening. The surprise and the cause for rejoicing is that he has accomplished so very much.

Chicago, Ill. —H. W. S.

Two weeks ago I made an exhaustive comparison of the 16 points and the New Deal policies—I am sending you a copy of that discourse, with my compliments.

Willing Taxpayer

To the Editor: Why should we not pay increased taxes to help keep solid the financial credit of our government? Has it not protected us? Did it not come to our aid when we were in dire need? . . . If our children are ill and in need of medical and surgical attention, or if they, through no fault of their own, are visited by misfortune, do not the parents go to the very end of their resources to meet this emergency—and are they not right in so doing? Must their argument be: "You'll have to suffer and die, my budget must be balanced"?

Baltimore, Md. —V. D. S.

V. D. S., no one is in more hearty sympathy with those who suffer depression than I am. But it is not enough to relieve; a cure must be effected. We still have the cancer of a cheating money and banking system in the body politic which has not been touched—and as a result we still have want in the midst of plenty. We are today paying the bankers $1,000,000,000 a year in interest, part of it for fictitious loans to feed the hungry. Do you mean that you approve of that, V. S. D.?

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Fate of Helpers

Father Coughlin: I had to laugh at your remark about being on the air next Sunday. Well, you will be there all right, even if the Republicans have to pay you. What an awful foul ball you turned out to be with a Bible in one hand, the other reaching for gold, no matter where it comes from. Where I work there are 3,000 employees and at the mention of your name, now it is a shame that the Lord has to listen to so many curses on your account.

Now, the truth of the matter is you are such an egotist that you imagine you are always right and everybody else is wrong. We call it just plain swell head.

Chicago, Ill. —A. B.

I am very much aware, A. B., that long before I was born men who have tried to help the afflicted and oppressed have in turn been reviled by them—that is history and I accept it.

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Headed for What?

Father Coughlin: I think I know what I am talking about, for everywhere I go I hear the same thing; i. e., "Not interested in what you have to say" . . . "Do not listen in any more," etc. These statements are the big reason I am writing you. You have wonderful ability and I am so sorry to see it misdirected. I think you must know that if Jesus Christ himself had been president this last three years, it is doubtful if he could have accomplished much more for the general welfare of our people. He certainly would have had the same rabble shouting "Down with Him" . . . "Crucify Him."

I know you well enough to know that you cannot and will not go over to camp with Hoover's party. Very well then, why should you attempt to lead your people out into the wilderness with no hope for them to get anywhere?

Think and think hard and figure out as best you can where you are headed for and how it may be accomplished.

Adrian, Mich. —S. W. Raymond
(Michigan State Senator)

I appreciate your courtesy and your kindliness, and while I appreciate your sincerity, I cannot cease my efforts to break the private money monopoly, the real cause of all our difficulties, if I should lose every one of my radio audience. Surely you don't deny that the money-changers still infest and pollute the temple of society.

Why Have You?

Dear Father: I am not a banker or have any money but I've got a job and know that all who have jobs have got to be under the man with the money, so the president and the New Deal has got to be under the guns of the bankers.

Providence, R. I. —J. M.

Don't you ever give a thought to the 12 millions of your fellow citizens who haven't got jobs, J. M.? You and millions of men and women like you have the power of petition and the ballot to demand that the bankers be thrown out of government.

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My dear Father Coughlin: Your stand must have cheered all the reactionaries and status quo element in our political life. These are the people who are throwing out the "bunk" about the present administration being socialistic in a false sense. God help us if they win. They are opportunists.

Petoskey, Mich. —E. S. D.

I have not as yet received congratulations from any of the well-known reactionaries or the status quo element. My dear E. S. D., they know better than you seem to what I stand for.

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"Vote of Confidence"

Dear Father: I confess to you now, that I was nuts and you win. I was fool enough to circulate a petition here in Omaha, at one time, to keep you on the air over our local WOW station, when there was danger of you being cut off.

However, I believe it would be an easy matter now to have the same signers of that petition sign one now to have you cut off, if the number of phone calls I have received since your broadcast have any bearing on your popularity.

Omaha, Neb. —P. J. K.

If you feel so strongly about the matter, P. J. K., you are free to circulate such a petition; it would be informative to both of us.

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Principles Are Clear

Dear Sir: You sure fooled me. I thought you knew what you were talking about, but I know now you do not. All you do is criticize and tear down everything and everybody that is not to your liking, and you do not offer any remedy to help the farmers and holler about the high cost of food. You are not consistent.

Glenvil, Neb. —F. B. O.

My conscience, F. B. O., is clear on that point at least. I do know what I am talking about. All you need to do is check my speeches against the principles I pledged myself to. I will stand by these principles, cost what it may.

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Too Much Money Talk!

To the Editor: I wish to express my opinion that you are placing too much emphasis on the monetary phase of the depression and practically no emphasis on the industrial phase, which, if uncorrected, will certainly defeat the most clever *juggling it is possible to do with* money.

Fort Recovery, Ohio —P. G.

Do you not know, P. G., that financiers control the majority of our great national industries? How can these industries give higher pay and shorter hours when the banker-overlords are thinking only of profits?

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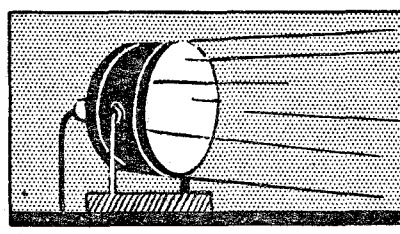

SEARCHLIGHT on the

AGENTS OF SUPER-RULERS CONVENE

Gold Standard Bearers Will Meet at the Hotel Astor in New York, April 2

SELDOM do the representatives of our real rulers publicly parade their doings. Is their control over the avenues of publicity so secure that they now need take no precautions? It is strange that a meeting should be called openly while the press prates about presidential and congressional aspirants for the subservient government at Washington.

The importance of this meeting cannot be overestimated, for an awakening nation will now see who maintains an absolute stranglehold and know definitely who its rulers really are.

SOCIAL JUSTICE suggests that enough of their buried gold be dug up to make them crowns. Unfortunately, they do not in the least resemble the sort of persons a could-be great Republic in a scientific age would voluntarily choose, for their principal interest seems to lie in moping and moaning about gold. Exposing them will enable this nation to dispose of their throttles and get on with its great job.

Significant Personnel

The Academy of Political Science in New York City, of which Montagu C. Norman (born Norman Mantagu), governor of the Bank of England, is an honorary member, a sounding board for internationalists' propaganda for the gold standard—has announced three sessions to be held at the Hotel Astor on April 2nd, 1936. The personnel of the committee on program and arrangements, as it appears on the letterhead of the Academy, is: Leon Fraser, chairman, former Wall Street lawyer and president of the Bank for International Settlements, from which he graduated into a vice-presidency of J. P. Morgan & Co.'s First National Bank; W. Randolph Burgess, a vice-president of the Federal Reserve Bank of New York; S. Parker Gilbert, former Assistant Secretary of the Treasury, and Thomas W. Lamont, both Morgan partners; Ogden L. Mills, Mr. Hoover's Secretary of the Treasury, who kept us on the gold standard during the destruction of the Hoover regime; a vice-president of the Chase National Bank in New York, the largest bank in America, Mr. Shepard Morgan; and Winthrop Aldrich, brother-in-law of John D. Rockefeller. Observers will recall that Winthrop Aldrich, chairman of the Chase National Bank once made this ridiculous statement: "Real money is a piece of gold of fixed weight and fineness."

Columbia University, from which has come many a radical, has contributed its Professor Wesley C. Mitchell of business cycle fame. Professor Mitchell has long been held out in University Schools of Economics and Commerce, as the "expert" who figured out the time lags in the price drops of the various classes of wealth. He didn't consider that raw material prices precede finished goods, labor and city real estate in their declines, because the country banks are always the first forced to call loans. However, he has written some big books over which studious youths get many headaches just preceding examination days. Prof. Wesley C. Mitchell's "Business Cycles" is jammed down students' metaphorical throats in many of the subsidized universities.

Purpose of the Meeting

In drumming up a large attendance for this gold standard convention, the Academy of Political Science emphasizes the fact that Mr. Russell C. Leffingwell, also a partner of J. P. Morgan & Co., will be toastmaster, and Mr. George L. Harrison, governor of the Federal Reserve Bank of New York will be a speaker. The House of Morgan is agent for the Bank of England.

The result of this meeting will be a new flood of propaganda eulogizing a fixed gold conversion for American dollars; in other words, the old gold standard—the poverty standard for the producer and laborer. The gold standard proponents claim that a fixed price for gold is sacred, although gold in terms of life sustaining commodities has fluctuated widely.

From 1913 to 1920 the purchasing power of gold in terms of the principal basic commodities—products of farms, forests and mines—fell 59 per cent. It then rose 315 per cent, followed by a crash to well below the 1913 levels. Even since stabilization, on January 30, 1934, it has fallen again 12 per cent.

An anonymous writer in Fortune Magazine of March, 1934, relative to England going off the gold standard stated: "And then suddenly the pigeon of misfortune came home to roost. England, which had perched herself precariously upon the gold standard, with the aid and approval of the Federal Reserve, suddenly and sickeningly fell off: in part because of the Credit-Anstalt failure and the German crisis; in part because the price in human misery of staying on was more than even Englishmen could bear." Here from their own pens is an admission that a fixed gold standard means misery and poverty.

"Economic Law"

"Economic Law" is the term applied to the results of a man-made rule to put a fixed price tag on one single commodity—Gold—and then use that block of gold so priced, as the base upon which a medium of exchange, money, must be loaned into existence.

Thus a fixed gold standard is a snare to entangle humanity and is nothing but the International Bankers' vehicle by which they get something for nothing and weave a web to confiscate properties by foreclosures.

The gold standard is presented as though its existence and operations were Providential. Those who arbitrarily control it would like us to believe that it is as necessary to submit to their "natural law of economics" (their gold juggling) as for an animal to submit to the changes of the weather.

In other words, the misery and poverty caused by the operation of the gold standard is something about which nothing can be done, although a few privileged individuals may use this instrument to destroy the economic structure of the nation.

Another Fortune Magazine writer, in February, 1936, said: "By 1818 the Britisher found that he had blundered into a commanding position, and he made a virtue of necessity by officially declaring his standard to be gold. Thus, while the principle of the gold standard goes back to the middle of the 17th century, the standard itself is only about 120 years old."

This gold standard "economic law," definitely saddled on us in 1900, is but a mere infant. Existing world conditions are proof that it is unsound and dishonest.

Evidence of Power

In the fourth annual report of the Bank for International Settlements, dated May 14, 1934, its president, Leon Fraser, called special attention to the "then" objectives of President Roosevelt's monetary policy, and the changes in policy subsequent to his great message to the London Economic Conference, July 3, 1933.

Mr. Fraser said:

> "The most outstanding monetary event (since the London conference) has been the adoption in January 1934 of the Gold Reserve Act in the United States, by which the value of the dollar was again linked to gold. When transmitting this measure to Congress, President Roosevelt revealed how extensively his opinions had evolved since his messages to London when he emphasized the desirability of 'some greater degree of stability to foreign exchange rates in the interest of our people'; and the Gold Reserve Act itself in Section 10a made the following provision: 'For the purpose of stabilizing the exchange value of the dollar the Secretary of the Treasury . . . is authorized for the account of the fund established in this section to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary to carry out the purpose of this section.'"

The satisfaction of Mr. Fraser that President Roosevelt's opinions had "evolved since his message to London, when he emphasized the desirability of 'some greater stability . . . in the interest of our people'," is evident. Who forced President Roosevelt to abandon "the interest of our people" and agree to the infamous Gold Reserve Act on January 30, 1934? This Gold Act passed under gag rules, without open hearings, in spite of protests from honest Congressmen and signed by President Roosevelt, according to an account in the Congressional Record, with his admission that he had never read the Bill, cruelly penalized American farmers and blockaded all opportunity for sound recovery.

This Bill which established a fixed price (below world levels) for an ounce of gold is the cause of present serious farm commodity importations and consequent distressingly low agricultural prices.

Of the Bank for International Settlements, an instrument of the League of Nations, Frederick Soddy, eminent London authority says:

> "Their (League of Nations) suggestion that there should be a sort of gold standard, the value of which can be made much what it is considered best by the eminent bankers and financiers advising them, is a sinister and distressing move, for it frankly hands over the real control of the world to the monetary power. . . . It would be the final step, whether a conspiracy exists or not, in the enslavement of the whole world by one central financial power."

"The Trouble With Gold . . ."
Continued from Page 15

international manipulators must be afraid of each other!

Mr. Henry Morgenthau, Jr., Secretary of the Treasury, recently stated that the amount of gold owned by the United States treasury is slightly over $400 millions. All the rest of the gold which Mr. Solomon guards belongs to private international bankers or to the privately owned Federal Reserve Banks. It is strange that the writer in Fortune can make such a misstatement as "the gold in the New York assay office is only half of the gold owned and held by the United States Treasury." Mr. Morgenthau says the United States Treasury **owns** something over $400 millions.

The Gold Standard Myth

"In its simplest terms, the gold standard is a monetary system in a free gold market in which the unit of value, the dollar or the pound, is held equivalent to a fixed amount of gold, that is to say, the government of a country on the gold standard will buy or sell gold at a fixed price in terms of its own currency, regardless of how much that currency is worth in terms of other currencies or in terms of commodities."

The government of the United States has had nothing to do with the buying or selling of gold since the passage of the Federal Reserve Act in 1913. The buying and selling of gold has been handled entirely by the **privately** owned Federal Reserve Banks.

The essence of the gold standard, therefore, is a fixed price for gold in terms of currency. A definite amount of gold exchangeable for a fixed amount of currency we are told is sound. Yet, the writer admits that what currency is worth in terms of other commodities is not considered in determining "soundness." He also admits that what United States currency is worth in terms of other currencies is not considered. What currency will buy in terms of wealth—the things people eat and wear—is not important. Only the grains of gold which constitute the "golden calf" and exists only in the form of a "great expressionless pile of bullion bricks" is important.

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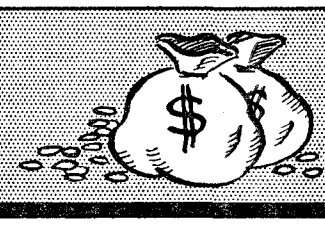
MONEY CHANGERS



MONEY VERSUS WEALTH . . . . . .

Clear and Permanent Distinction Between Terms Is First Step to Understanding

THE common confusion regarding the nature of money and wealth is not accidental. Seldom do we see the difference explained, or even alluded to. Yet, the difference is so obvious that the continued confusion can be blamed on nothing but a concerted effort to keep the people from giving more thought to money.

We commonly think of wealth as money; yet we all know, when we think about it, that a wealthy person need not necessarily have a large amount of money on hand or in the bank. In fact, most people, even though they are extremely wealthy, possess very little money. What a wealthy person does possess is title to various forms of wealth such as real estate, stocks, etc.

When a wealthy person dies we invariably are told that the estate consisted of so many dollars, which is palpably untrue. Not only are there not so many dollars in the estate, but if an attempt were made to convert a large estate into dollars, it would be virtually impossible. We all know these things, but we do not think about them enough for our own enlightenment.

What Is Wealth?

Wealth is, according to one definition, an accumulation of useful things. The use human beings make of wealth is either in direct consumption to sustain and protect the human body, or in making available the goods and services which do directly sustain life.

No one sees evil in the greater knowledge of and mastery over the forces of nature, nor in the material fruits of this knowledge enlightening the labor of living and in providing material necessities and comforts in reasonable abundance.

The sourest and most jealous fanatic today could not dare maintain that good and nourishing food, sufficient fuel, clothes and houses, efficient and rapid means of locomotion, transport and communications, and the multitudinous services of modern life are evil in themselves. The evil is rather that these things, which human beings need and which science could make so abundant, are not universally obtainable by all willing to engage in honest efforts, be they mental or physical.

Money Is Not Wealth

Every one knows, after a moment's thought, that money cannot be used for consumption in any way; we cannot eat it, wear it, use it for fuel, build houses of it, pave roads with it, make medical supplies of it, etc. All we can do with it is to buy the things which can fulfill all these other functions.

It is possible then for a man to have much money without having any wealth whatsoever. Money is neither wealth nor capital; it is a means for the *exchange* of wealth and capital.

The misapprehension that money is wealth, or that money is capital, is at the base of all of our monetary troubles. A capitalist is one who owns wealth. Actually most capitalists have the greater part of their possessions in the form of wealth and only a very small portion in the form of money. They hold only the limited amount of money necessary to purchase their immediate needs.

A capitalist is one who owns title to accumulated useful things. That wealth is generally in the form of instruments of production. A capitalist would soon become poor if he held ownership of a large amount of consumer wealth. Consumer wealth is wealth which, in its final form, is ready for direct human use. It will rot or deteriorate if not used. Every one is familiar with the deterioration of food, clothing materials or medical supplies if not used within a reasonable time.

Claims to Wealth

It is only in primitive communities that production is carried on for direct use or consumption by the very ones who have produced.

Rather, in advanced nations most wealth is produced not for direct use but for exchange or sale for money. Out of this exchange of wealth or services for money and not out of production in itself do many doubtful claims to individual wealth now come into being.

Yes, and it is some purely imaginary services such as the pretense of lending money (as present bankers do) that creates claims upon wealth that enable these privileged individuals to acquire titles to consume wealth, without the necessity of rendering legitimate services to society. Perversion has made our present money system an instrument which permits some to get titles to vast wealth and by the same device prevents genuine producers from distributing wealth and obtaining their just share.

Clear Distinction Necessary

Only by making a clear and permanent differentiation between the nature of wealth and that of money, can we understand our subject. This differentiation is so simple that there is no reason why any normal person should remain confused. Any discussion of Capitalism, Socialism or Communism is meaningless until the readers understand the nature of wealth and capital, and know that neither are money. Money is merely the man-made means used for the *exchange* of wealth.

The acquisition of wealth is the motivating purpose behind all work; first to meet immediate physical needs and, second, a reserve of wealth. This reserve may consist of a sufficient quantity to maintain life for only a short period, or it may consist of ownership of sufficient real estate or the instruments of production to afford one an annual revenue sufficient to live without further remunerative work.

"The Trouble With Gold Is" . . . . .

UNWITTINGLY or otherwise, adorers of the golden calf sometimes state falsehoods, half truths, and truths in an amusing hodgepodge of jargon. We cannot resist the temptation to put the searchlight on an article entitled "The Trouble With Gold Is," which appeared in Fortune magazine for February, 1936.

"All but a trace of the yellow coins that the United States has ever minted has been melted down into a great expressionless pile of bullion bricks. . . . The international politicians and economists are apparently sparring for position," says the Fortune writer, who adds:

"Since 1492 man has mined 1.19 billion fine troy ounces of gold. If cast into a single cube, this symbol of material wealth would measure 42 feet long, each edge, and would be worth approximately $41.6 billions. If by some Utopian legerdemain this could be divided equally among the 50 most important nations, it would provide each with more than $800 millions in gold as a base upon which to erect a monetary system.

"Now total United States deposits at their high in 1928 (exclusive of savings banks) were $48 billions which, together with currency requirements . . . would presume a minimum of about $4 billions worth of gold; and the total deposits of the United States today stands at $34 billions. One $800 million-share of the world's gold would, therefore, not be enough to supply the United States . . .

"The great golden image of prosperity exists only in theory. In fact, only a little more than half of the cube is available for monetary purposes . . ."

Stamp Makes It Money

The writer of the article in Fortune admits that the essence of money has been removed from gold. It is the stamp or seal upon any substance that makes it money. All stamps and seals have been removed when gold coins are melted into "great expressionless piles of bullion bricks."

These bullion bricks are the golden god of the manipulators; and the production and distribution of wealth (necessities of life) must depend upon the manipulators' pleasure in shifting the "expressionless pile of bullion bricks."

The Fortune writer is careful not to state who the "international politicians" might be. One is led to believe that the gold manipulators must be the international politicians because the sparring is done in terms of the "great expressionless pile of bullion bricks."

Golden Image a Theory

Consider the absurdity of the physical possession and place of half a 42-foot cube of gold determining how much of the necessary medium of exchange shall exist. Consider the absurdity of a man-made rule that a nation can have a medium of exchange so many times the arbitrary number of dollars at which "the expressionless pile of bullion" has been priced.

The article states further that India has unloaded about one billion dollars worth of gold in the last four years. It is strange if India has been hoarding gold that she should suddenly disgorge one billion of it. The name of the internationalists who have shipped gold out of India, probably to the United States, would disclose very interesting information relative to who the international politicians might be.

The writer of the Fortune article admits that the total available monetary stock of gold is about $22 billions. Therefore, the golden calf is a cube only half the 42 feet; and this supply, instead of the larger estimate, constitutes the base for all money originated both for national and international purposes.

Midas Reincarnated

"On the corner of South and Old Slip, Manhattan . . . there stands a bright new granite building that belongs to the people of the United States. It is the United States Assay office and it is not a place where the people of the United States make you feel at home. Facing a police station, and flanked by a fire station, it bristles with concealed machine guns, and the most casual visitor is eyed by a series of guards . . . each with one or two guns, a full cartridge belt and a gas bomb or so. Courteously but firmly you will be ushered into a small waiting room, where you might just as well not ask questions, since it is against the rule for any one to answer them except the highest executives. The highest of all is Sigmund Solomon, New York lawyer and Tammany appointee . . .

"Mr. Solomon's fortress consists of inner vaults and an outer shell of offices. The steel lining of the vaults is 5 feet thick and Mr. Solomon says he thinks it would take a crew of men six weeks to blast their way through it. However that may be, the people of the United States have entrusted to those vaults the biggest single pile of gold ever gathered under one roof. It is stacked in standard United States gold bars (the shape of a building brick only bigger) worth about $14,000 each and weighing about 27 pounds. . . . All put together, the gold in the assay office weighs approximately five tons and is worth $5 billion. . . . It is a monstrous pile to which, however, it is necessary to add a monstrous fact; the gold in the New York assay office is **only half of the gold owned and held by the United States Treasury.** The other half is housed in Philadelphia, Denver, and San Francisco, and both halves put together total about $10 billions."

A Joke on the Taxpayers

Dear reader, smile at the benign effort to make you believe that this gold in the assay office belongs to the people of the United States. The people of the United States are merely the dear taxpayers who pay the cost of building and maintaining a fortress so that the international manipulators are freed of the responsibility and cost of guarding their golden calf.

Sigmund Solomon, the New York lawyer and Tammany appointee, probably receives a fat salary for holding the fort, at the expense of the American people. But the poor internationalists can sleep well and know their gold is safe. In a civilized country the golden calf must be guarded with machine guns! The

(Turn to Page 14)

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Father Coughlin's WEEKLY LETTER

WILL DEMOCRACY ENDURE?

PERHAPS there can be some biological dispute over the question, "Which came first, the chicken or the egg?" There is no question, however, biological, ontological, logical or political when one poses the question, "Which came first, the citizen or the state?"

Individuals existed before a state was created. In fact, the state is a creation of individuals. Having been endowed with social proclivities, it was natural for man to co-operate with his neighbor for the furtherance of peace, of human defense, of life itself. Thus as far back as we can trace the course and development of human events, man always was tribal in his instincts. Members of a family lived together under the common jurisdiction of a father or chieftain so that, with more security, they could defend themselves against hostile Nature or hostile tribes. Moreover, it is evident that, in later years, an amalgamation of tribes was fashioned for the same reasons.

While the individual pre-existed the state, the point is that he with other individuals freely establishes the state for the protection and furtherance of human rights. Occasionally some state, like ancient Sparta, boldly pronounced that individuals existed for the state. We have the same philosophy expounded by the modern communist. According to them the individual has no rights of an inalienable character: He simply enjoys privileges bestowed upon him by the law of the state; it is the state's prerogative to slay or to make to live; it is the state's right to own all property, doling it out as the rulers of the state see fit to the individuals; state prosperity is all important; individual prosperity is of minor importance. So teaches Communism.

The concept of Democracy, believing that the state exists for the individual, maintains that the individual citizen has certain rights which he cannot surrender to the state. From this viewpoint, the people always retain the power to operate the state, to write laws governing the conduct of the state, to change the constitution of the state, and to demand that those who execute the laws of the state render a strict accounting to all the citizens of the state whose servants they are.

There is no system of government any more logical or natural than is a democracy. Because it is totally dependent upon the people both for the writing of its constitution, for the selection of men to interpret that constitution and for the election of other men to execute laws made in harmony with the constitution, democracy is a chain, no stronger than its weakest link. An unintelligent, careless and selfish citizenry is most likely to elect unintelligent, careless and selfish executives, judges, and legislators. This statement is so true that a nation whose population, for the most part, flaunts man's moral obligation will succeed in electing chiselers and racketeers, even from the highest to the lowest office.

A monarchial form of government depends upon the decisions, the selections and the operations chiefly of one man. His character will reflect itself throughout the entire nation, either for good or for evil. In a democracy it is the character of the average citizen which is reflected in the halls of Congress, in the presidential chair, in state legislatures and in municipal management.

More than any other form of government a democracy must rely upon the ancient Biblical truth which warns us that: "Unless the Lord buildeth the house, in vain hath he labored who built it; unless the Lord guardeth the state, in vain do they watch who guard it."

Most Americans have labored under the delusion that democracy blooms like a full blown rose under the Stars and Stripes. There is no need for our discussing that subject at the present moment. I shall simply refer to the fact that every sovereign state—be it democratic, monarchial, imperialistic or communistic—has always held to the principle that that state should have sovereignty over the coinage and regulation of its own money. You cannot have complete democracy unless this essential feature pertaining to it is practiced. In so far as this sovereign right is not utilized to its fullest extent by our democratic people, democracy with us is little more than an ideal which has not been reduced to practice.

But I am not so certain that the American people really desire to possess democracy. While not disparaging the many interests which occupy our attention, I do dare to state that too many so-called average citizens are content to be democratic every four years for about four seconds while they engage in a harmless pastime of scratching a ballot in favor of a candidate, in whose nomination they had no more voice than they had in designing the architectural beauties of the celestial planet.

Ours has been an easy-going generation whose livelihood was gained without much serious difficulty from the abundant breasts of a generous Nature. Despite our politicians, despite the financial imperialism which controlled them and under which the country itself operated, a plenitude of prosperity was showered lavishly upon a goodly number of our citizens.

That day is no more. On every side we hear challenges hurled at our democratic form of government—hurled by those who are fearful lest the people will be aroused from their lethargy and demand a substance as well as a shadow of their political rights; hurled by those thoughtless "average citizens" who illogically blame democracy (which never functioned in its entirety) for our economic breakdown.

By 1940 we will be able to gage whether or not America will remain as a democratic state.

It is my prayer that it will.

Suiting my prayer to action, it shall be my effort so to help in the organization of the National Union, that real democracy shall begin to function on April 5th of this present year when, putting aside personal antipathies, prejudiced partyism, and bigoted animosities, the National Union for Social Justice will begin to function as an organization of the people, by the people and for the people.

Charles E. Coughlin

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